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# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

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13 December 1985

## USSR REPORT

### CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### OVERSUPPLY OF UNUSED GOODS CAUSES CONCERN

Yerevan KOMMUNIST in Russian 12 Oct 85 p 2

[Article by G. Sarkisyan, director of the Administration for Market Conditions, Trade in Textiles, Clothing and Shoes and the Study of Demand of the Armenian SSR Ministry of Trade under the rubric: "Trade--An Economic Lever": "Shortage From Surplus?"]

[Text] It has been noted, with good reason, that taste is taught at the store counter, through the quality of the available goods. The talk about clothing and fashion has already brought up a new group of problems. And this is natural, for our way of life has changed and people have higher demands and greater possibilities for satisfying them. The concept "fashionable" has displaced the once firmly rooted concept of "good-quality." But the counters are still offering much less fashionable clothing than the customers would like.

#### Armenian Trade Official's Comments

##### "Wave" or Consumer Demand?

The republic's light industry fulfilled 103.8 percent of the plan for the sale of products for the first half year. In trade, however, there were unsold goods in textiles and sewn-goods production in the amount of 57.7 and 83.9 million rubles, respectively, which greatly exceeds the standards. During the last 2 months, the time of the commodity turnover of sewn goods increased by 21 days.

What do these facts mean? To answer the question, it is sufficient to study two documents closely. Four years ago, a "Statute on Deliveries of Consumer Goods" was passed, accordingly to which the contract between enterprises and the trade organization indicates a developed assortment and penalties are imposed in particular classes of the assortment for late or incomplete deliveries--even when the obligations for the total amount of the contract are fulfilled on time.

At the same time, procedural instructions permit the fulfillment of obligations for the contract as a whole without considering the assortment. Thus, the responsibility of those enterprises participating in the experiment for the fulfillment of obligations that they have entered into is not strengthened but weakened.

Not much time has passed since the beginning of the work of the enterprises of the republic's Ministry of Light Industry under the conditions of the experiment. The production of output has been increased, quality is improving, and the assortment is expanding. The work is being performed in such a way that the needed high-quality clothing could be acquired in any store. But a number of enterprises cannot meet the orders of trade organizations for some items. Their work is concentrated on the "wave" and the volume of sales in rubles and not on a greater satisfaction of consumer demand. As a result, there are undelivered goods on the one hand and "frozen" millions on the other. Goods that remain in the warehouses or on the counters "eat up" the state credit used for the storage of products. After all, money put into circulation should be returned to the state as soon as possible in the form of payment for purchases. But the commodity turnover time is still greater than the time for the production of the goods. In the course of a year, demand can change three or four times but the enterprises have a set plan.

#### Formal Trade Fair

It would seem that the wholesale fairs must provide a prescription for eliminating disputes between trade and industry. It does not work out that way. It is as if everything has been settled: who, how much, what and from whom to purchase. The enterprise goes to the trade fair having a draft plan for the coming year. In accordance with this plan, a collection of long-term models is established and, proceeding from this collection, stocks are allocated to the enterprise for supply. The main condition is that the goods must be sold completely. And if it is not possible to sell the goods at the All-Union fair, phrases are heard that sound like a verdict: "local consumption," meaning that the remainder is to be sold in the republic. A silk combine, for example, did not sell millions of rubles worth of fabrics at the fair in Moscow, and next year it will clog the republic's trade bases with them. They, of course, will refuse, saying: who needs goods that nobody wants to buy? The existing system, under which the stocks are distributed to the bases prior to the fairs, where things are merely made official, leads to a number of curious situations. The bases, after all, have their own plan. One may turn down a deal and another accept it but it cannot sell anything. The stocks will not permit it.

It is time to review the role of the contract. The enterprises must come to the wholesale fair knowing their resources, their suppliers and, to the extent possible, not only overall stocks but also the developed assortment. Only in this way is it possible to tie the contract to the interests of the consumer. Otherwise, the discussions will continue.

The reason is that sales are accounted for by consolidated groups of products. What is meant by "men's suits"? What material are they made of? What season are they for? The summer batch of production of the Kirovakan PShO, for example, has the shirt out. It is greatly in demand by the public. The same batch but with a shirt with a belt is not wanted. But they belong to one and the same group, and the reporting figures do not give a completely true impression of how these batches are sold.

#### Experiment and Market Requirements

The large-scale economic experiment did not put an end to the so-called "group assortment." The precise fulfillment of agreements entered into with trade has not become the main indicator of the work of all enterprises. Industry is just beginning to be flexible in reacting in time to the requirements of the market, which, as the saying goes, has a tremendous appetite but is not omnivorous. Especially since the buyer votes for goods with rubles. That means that in the forefront is not the amount of output but its assortment and quality. Not to act accordingly means to suffer material losses. And not just material losses. Discussing in public what people will wear in the coming season and not to supply stores fully with marketable goods means to send people to speculators. And heavy suits of wool and synthetic materials continue to hang in the stores. The buyer wants something a little lighter and cheaper, but this is not advantageous to the enterprise.

However much the thread is twisted, without addressing the interests of the buyer the problems of satisfying his demand cannot be resolved. The produced "wave" remains in the warehouses, continuing to push commodity turnovers for additional days. The customer accuses us of going after commodity turnover, making service secondary. But how should we, being in conflict with industry, go about finding a common language with the customer, who, as everyone knows, is always right? He is the one who must pull the economic lever. For this reason, one should turn ultimately to those recommendations and results of the customer questionnaires that we send out to all enterprises and review the methodical instructions that still permit working toward the "wave."

The republic has noteworthy examples of how enterprises are moving ahead in all indicators, orienting themselves toward the buyer: the Kirovakan Sewn Goods Association and the Anastasavanskaya Knitted Goods Factory PTO [Production and Technical Section] No 1 imeni Myasnikyan.

At times a chorus of opposing voices is heard: what about the problem of retooling and what about personnel? We trade workers can accept and understand all of this. But the customer goes to a store and not to an enterprise. The lack of some item or other must be blamed not on the poor equipment and not on the low level of skills of those performing the work but on a number of organizational problems in the manufacturer-supplier-consumer chain. Agreements between partners must serve the consumer, for "frozen" millions in the form of unsold goods represent purchases that did not take place. The economic lever must be pulled in such a way that the entire mechanism is oriented to the buyer. This can only be done through joint efforts and not through the lone endeavors of "beacons." We cannot consider a

task fulfilled if some of the customers snatched up a scarce good in a store. What can be offered to the others? When will industry respond to this urgent problem?

#### Editorial Statement Supports Official

FROM THE EDITOR'S OFFICE: The questions raised by the author concern not only trade workers but above all buyers, whose demand is still not being fully met. There are still no effective ties between the producer, trade and the buyer. Today in the forefront should be problems of quality and assortment--what we call goods with high consumer qualities.

As was said at the meeting of the aktiv of the Leningrad party organization: "We need a significant rethinking by administrators in this connection. For often they do not think about national wealth and its expression in real terms but about making a product more expensive, about putting more into it, and about pushing one and the same item within the association to achieve the "wave." As a result, the "wave" increases in monetary terms and there are not enough goods, products and equipment. But what we need is...specific consumer goods."

In publishing the article of G. Sarkisyan, the editor's office expects responses from the workers of the ministries of light and local industry and trade, from the managers of associations and enterprises, and from the readers at large.

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CSO: 1827/38

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### BETTER COORDINATION BETWEEN TRADE SECTORS ADVOCATED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 8, Aug 85 pp 80-85

[Article by Ye. Osokina, candidate of economic sciences, and Zh. Sidorova, candidate of economic sciences: "Organizing the Operation and Stimulating Final Results of Related Sectors (Light Industry, Transportation, Trade)"]

[Text] Improved satisfaction of the population's demand for consumer goods requires the efficient and well-organized operation of light industry, transportation, and trade, and direct ties among all the elements of their activities. In order to do this it is necessary to study the public demand, use this as a basis for drawing up trade orders, work out detailed plans for the production of the given product assortment, provide a material and technical base for production, ensure prompt delivery of goods to the retail network, and organize an efficient system for selling goods to the public. In practice, close ties among these elements have not always been established. This can be explained by shortcomings in planning the production of the given goods, in price formation, and so on. Another important factor is that the methods for forming and utilizing economic incentive funds in related sectors--light industry, transportation, and trade--do not always promote achievement of high final results.

The experiment that was initiated in industry in 1984 does not provide a complete solution to this problem either. It has been noted in the press that "the experiment showed the lack of coordination between principles used in planning and in setting up incentives. The latter is limited exclusively to sectorial boundaries. A final national economic result requires the creation of an intersectorial incentive system."\*

An analysis of the sources for forming economic incentive funds at enterprises in light industry showed that the primary sources are profit (above-plan profit), the wage fund, and additional profit obtained from deductions from surcharges on products with the "N" index. Additional profit has a significant effect on the size of the economic incentive fund. For example, at the "Salyut" Sewing Production Association in Moscow (MPShO) in 1981 there was a 176

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\*PRAVDA, 20 July 1984.

percent increase in this fund, a 146 percent increase in 1982, and a 197 percent increase in 1983; at the "Zarya" Shoe Production Association in Moscow (MP00) the fund increased by 89.3, 112.8, and 133.7 percent, respectively. In the first six months of 1984 enterprises under the BSSR Ministry of Light Industry allocated more than 12,000 rubles of additional profit for the economic incentive fund.

An increase (or decrease) in the economic incentive fund formed from above-plan profit by means of a change in the fund formation indicators, which provide a direct reflection of the final result, represents no more than 20 percent of the planned size, and the given proportion depends on previously planned indicators for the years of the five-year plan, and not on the final production results.

One possible reason for a decrease in deductions for the economic incentive fund is failure to fulfill the plan for the delivery of goods and producing goods that are poor in quality. The quality indicator is not directly involved in fund formation, but it is taken into account when consumers submit claims for the replacement of defective goods. For example, in 1980 at the "Salyut" association, of the goods sold with the state emblem of quality and the "N" index, 12 percent of the total volume and 18.3 percent of the goods prepared for export were rejected. In light of this, the fund was reduced by 10.5 percent.

As a result of producing goods with the emblem of quality, the "Zarya" association increased its economic incentive fund between 1980 and 1983 from 0.1 to 17.5 percent. As of 1985 the certification of light industry goods for the state emblem of quality has been abolished. The only indicators to be used are those that describe the production output of new, improved goods with the "N" index, and especially fashionable articles sold at contract prices. Since 1981, improvements in product quality have also been encouraged through the use of contract prices, and part of the surcharge is earmarked for awarding bonuses to workers and covering production costs. Other product quality indicators are used at enterprises--the volume of first-quality goods produced, the proportion of goods with the "N" index, the percentage of models that have been updated, and so on. None of this makes it possible to establish a close and direct relationship between the economic incentive fund and product quality, and therefore, in our opinion, it would be a good idea to develop and introduce a general indicator describing the quality of finished products, which would take in all of its parameters.

In wholesale and retail trade, and at motor transport enterprises, the economic incentive funds are only corrected (and not formed) in accordance with certain indicators, and each fund-correction indicator in related sectors reflects the specific interests of that sector and for all practical purposes is not tied to the sale of the final product of industry to the consumer.

For example, the "Zarya" association's outgoing wholesale base constantly surpasses the plan for goods turnover and profit, which means that between 1980 and 1984 it was able to increase its economic incentive fund from 2.4 to 24 percent. However, the base has no interest in improved satisfaction of commercial demands or in reducing costs, since the formation of the fund does

not take into account indicators describing the delivery of goods to the retail network or distribution costs.

In our opinion, in order to eliminate these shortcomings it would be a good idea to include an indicator describing the fulfillment of contracts for the delivery of goods among those that determine fund formation in wholesale trade. This has already been done in the Latvian SSR. The formation and utilization of the material and economic incentive fund depends on the fulfillment of contract obligations to deliver goods to each trade organization and to trade administrations. When the fund is being calculated, an estimated indicator is considered to be met only when all contract obligations for the delivery of a certain assortment of goods to the retail trade network have been met.

The link uniting wholesale and retail trade is motor transport. Profit and fulfillment of the plan for shipments to the planned clientele are indicators that reflect the final results of this sector. They are also used in fund formation. The "fulfillment of the plan for shipments to planned clientele" indicator corresponds to the "deliveries" indicator in industry, but this indicator does not have a fundamental effect on the size of the economic incentive fund. An increase in the fund that results from the fulfillment and over-fulfillment of the profit plan often compensates entirely for a decrease in the fund that results from failure to fulfill a given plan indicator. For example, at Motor Transport Combine No 32 (in Moscow) in 1980 the clientele plan was not fulfilled, which meant that the fund should be reduced by 3.5 percent, but the profit plan was exceeded so the fund increased by 2.9 percent, which meant that there was only a 0.6 percent decrease in the fund. In 1982 the profit plan was also exceeded, which meant a 2.1 percent increase in the fund, and the planned clientele plan went unfulfilled again, which resulted in a 1.0 percent decrease in the fund, but the over-all size of the fund still increased by 1.1 percent. This approach to economic incentive fund formation weakens the effect of the shipments to planned clientele indicator.

Trade is the final link in the sale of the final products of light industry. At the trade enterprises analyzed, the goods turnover plan and the profit plan were surpassed consistently, and as a result the economic incentive fund increased from 14 to 26 percent between 1980 and 1983. However, there was a steady decline in the number of customers buying shoes at the "Zarya" association's store.

For example, in 1980 18.3 percent of those visiting the store made a purchase, 16.9 percent in 1981, 13.3 percent in 1982, and 11.2 percent in 1984. The consistent over-fulfillment of the plan for goods turnover and profit at the store with a decline in the number of purchases was achieved through the sale of expensive shoes and a decline in the assortment of shoes for children and adolescents, everyday footwear, and shoes for the elderly. Thus, the estimated indicators adopted do not reflect the satisfaction of the public's demands, and utilization of these indicators does not help increase the interest on the part of trade organizations in expanding the assortment of goods and ensuring prompt delivery of goods to stores.

The data presented here indicate that the system for forming economic incentive funds in sectors involved directly in the production and sale to the public of

shoes and outer wear does not encourage them to meet their basic goals--increasing the sale of necessary goods to the consumer and rapid sale of the goods produced with the optimal expenditures.

The methods used to create economic incentive funds do not always do enough to encourage better ties among partner sectors. For example, individual industrial enterprises often fail to meet the plan for the delivery of raw materials and supplies to their partners. In 1981 the "Salyut" association did not receive 108,000 meters of various wool fabrics that it was supposed to receive, and the delivery of artificial fur was irregular. There are frequent cases in which the planned materials are replaced by other materials within the limits of the funds allocated. Penalties for failure to deliver goods and for the return of products have practically no effect on the supplier's economic incentive fund, since these fines are paid out of funds that are earmarked for the state budget in the form of free surplus profit. It is obvious that it would be a good idea to reduce the economic incentive fund by the sum of these fines.

Between 1981 and 1984 the plan for contract deliveries was not met by more than 50 percent of the enterprises under the RSFSR Ministry of Light Industry. Often the reason for this has been imbalance between real and value indicators in the plans, and the production possibilities and the organs' plan quotas. For example, officially the product assortment is supposed to be determined by trade--and trade fairs are organized for this purpose. But even before trade fairs are held, the USSR Ministry of Light Industry sets the production volume in value and quantitative terms, and these indicators do not always orient enterprises toward the production of goods that are in high demand. For example, the draft plan for 1985 calls for an increase in the country's production of leather shoes by 10 million pairs, or by 1.4 percent, while in value terms the production output should increase by 255 million rubles, or 32 percent. Enterprises can fulfill this plan only by changing the structure of their production, by producing predominantly more expensive shoes, which is not in the interest of the consumers.

Furthermore, plan indicators are often set without the proper substantiation. For example, the "Chayka" Sewing Association in Tula was assigned economic indicators for production costs, profitability, and profit that were significantly higher than those that corresponded to the volume of production ordered by trade. In addition, over the course of 1984 the profit plan was increased by another 17 million rubles, 12 million rubles of which were not based on a real increase in production output, since the production capacities were not capable of reaching this level. As a result, the association failed to deliver the planned volume of products and paid a large fine.

In our view, in organizing relations among partner enterprises or enterprises connected on the basis of a technical principle, it would be useful to grant greater rights to the industrial enterprises and make more extensive use of direct long-term economic ties between suppliers and consumers. In addition, the formation of the economic incentive fund should be tied more closely to the fulfillment of contract obligations to make deliveries. Specifically, profit obtained from the production of goods that have not been ordered should be transferred to the budget, and should not be left to the enterprise, as is the

case now. When orders for certain items are exceeded, the profit should be added to the enterprise's account only if the extra deliveries are agreed upon and outlined in the contract. In this case, when forming the economic incentive fund, it will be possible to eliminate the indicator that describes the increase in goods sold. At present this is one of the major fund formation indicators and actually duplicates the indicator describing the delivery of goods.

The need to increase the stimulation effect of the economic incentive fund on increasing final results calls for reorganization of economic relations among partner sectors. This applies, in particular, to relations between trade and industry in creating a fund for discounting goods and fines that trade levies against industry for the delivery of poor-quality goods. If no rejects are found among these goods, the discount is at the expense of the state budget, and if defects are found, then fines are levied against the supplier. However, neither the discount nor the fines are reflected in the store's economic incentive fund. Furthermore, it is simply unprofitable for a store to levy fines against industrial enterprises. In this case, fulfillment of the retail goods turnover plan declines by a margin equal to the sum of the rejected goods. And since the goods turnover and the profit obtained from it serve as the basic fund formation and bonus indicators, trade prefers to keep the rejects itself and sell them to a buyer.

When goods are rejected, in addition to the goods turnover, there is a decline in the profit from the sale of goods, which leads to a shortage in the enterprise's own working capital, and to a decrease in contributions to the budget. When the goods turnover plan is not met, a store ends up with overdue debts on State Bank loans (equal to the margin by which the plan was not met). All this creates financial difficulties and leads to complications in obtaining bank credits. When loans are granted for temporary needs, the bank charges the store a higher interest rate (4 percent annually, rather than 2 percent) and requires a guarantee from a higher organization that the shortfall in working capital will be made up within a certain amount of time.

Fines that trade can levy against a supplier do not cover the losses suffered by trade since 95 percent of the difference between the penalties that are received and paid (including fines and forfeits), as already noted, is paid into the state budget, and the remaining 5 percent is distributed as follows: half of these funds go into the trade development fund, the other half goes into the fund for social and cultural measures and housing construction. Furthermore, the absence of necessary goods on the market cannot be compensated for by monetary payments.

Therefore, trade enterprises that reject a batch of goods suffer great losses, and do not have any sources for covering these losses. These losses could be made up if they were only able to obtain additional goods from other suppliers and thus fulfill the goods turnover and profit plans.

In our view, there is also a need for a change in the system used to account for goods sold by enterprises. It is clear that as far as consumer goods are concerned, one cannot consider the shipment of products from an enterprise into the retail trade network a sales act. It would be better to consider the sale

of these goods at the point of their final sale, that is, in retail trade, and to set up a corresponding system for transactions among industrial enterprises and trade organizations and enterprises. For example, when goods are delivered, the enterprises' workers should not be paid the entire sum of the economic incentive fund, but only a certain percentage of it. The workers of the supplier enterprises will receive the remainder of the fund depending on how much of the batch of goods is sold. It would be a good idea to set deadlines for the sale of goods. If the goods are not sold when the deadline expires, then they must be discounted, either at the expense of the supplier (for a failure to coordinate supply with demand) or at the expense of trade (for poor study of the market conditions and demand).

It is noteworthy that in industry the formation of the economic incentive fund does not take into account any indicators that describe the level at which trade orders are being met, and in trade, the level to which the customers' orders are being met. As in the past, the main indicators for awarding bonuses are gross volume indicators. A decrease in the economic incentive fund by 1-2 percent when the agreed-upon assortment of goods is not delivered has practically no effect on the size of bonuses.

In sectors working with industry, especially wholesale and retail trade, the payment of bonuses should be directly dependent on the presence of the required assortment of goods in the store and the quantity of goods sold (this should also include the sale of imported goods).

In motor transport, which is a connecting link between wholesale and retail trade, the leading indicator determining the formation of the economic incentive fund and bonuses should be the indicator that describes fulfillment of the plan for shipments to the planned clientele.

Interaction among partner enterprises means that it is necessary to create equal interest and responsibility on the part of the collectives with respect to achieving final results. The form of the ties between the enterprises and organizations also determines the methods for achieving an economic influence on production results. In some cases, when the organizational prerequisites for regulation of relations among partners are present, these ties will be closer, and in other cases, they will be mediated to a greater extent.

One direction for increasing economic interest in the presence of intersectorial integration could be the formation of an interdepartmental economic incentive fund. A normative document should be drawn up that outlines the formation, distribution, and utilization of this fund. In a group of cooperating enterprises, whose final product is consumer goods, for example, the source for the creation of this fund could be deductions from surcharges on retail prices for new, improved goods. These funds should be redistributed among partner enterprises depending on their proportional participation in obtaining the final economic effect from the sale of the goods directly to the consumer. A failure to deliver goods must be taken into account when setting the size of the contributions by supplier enterprises to the unified fund, and accordingly, payments from the fund.

It would be a good idea to distribute the interdepartmental fund according to a scale that is differentiated on the basis of the fulfillment of obligations to partners. The size of contributions to the fund could be determined as follows: the economic effect of the consumer enterprise (profit) per ruble of production output of the supplier enterprise in the plan period (the period under review) is compared to this indicator in the base year, and when the ratio is greater (or less) than 1.0 the contribution to the interdepartmental economic incentive fund increases (or decreases). Specific scales for increasing (or decreasing) contributions to this fund should be worked out by ministries taking into account the specific nature of production in their sector.

The creation of this sort of fund also means that there needs to be a unified system of indicators that describe the activities of partner enterprises. Furthermore, in a number of cases there is a need to single out a contingent of workers whose activities have a direct effect on the final work results, and to determine the extent of this effect. In the formation of a unified economic incentive fund it would be a good idea to use a method involving expert evaluations, which makes it possible to determine the effect on the final result of each link in the technological chain (enterprises and organizations in various sectors of the national economy, as well as subdivisions of a production association).

In order to increase the stimulus for supplier enterprises to produce goods needed by the public, their economic incentive fund should be dependent on their fulfillment of contract obligations, taking into account the assortment of goods delivered.

Often the delivery plan is met in terms of the total volume of goods, not by providing the planned assortment of goods, but as a result of supplying unplanned models. As a result, trade does not meet the customers' demands for necessary goods, but is limited to supplying outmoded goods that do not sell well. In our view, the sum of delivery shortfalls should include the sum of goods delivered that are part of an unplanned assortment, and deductions should be made from the supplier enterprise's economic incentive fund equal to the consumer's losses resulting from the failure to supply the necessary assortment of goods.

This method for the formation of the economic incentive fund can be used to coordinate the interests of all partner enterprises: enterprise -- commercial center, enterprise -- enterprise store, enterprise -- motor transport combine, and enterprise -- enterprise.

Successful resolution of the problem of coordinating the interests of partner sectors requires that measures be taken to strengthen the economic incentives for increasing final results, in combination with improved organization and management of these sectors.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

INTEGRATED USSR-CEMA PROGRAM FOR GOODS PRODUCTION REVIEWED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 6, Jun 85 PP 112-118

[Article by L. Kosikova, candidate of geographical sciences; scientific associate, IEMSS [Institute of Economics of the World Socialist System]: "The Foreign Economic Aspect of the Integrated Program for the Development of Consumer Goods Production and Services"]

The steady improvement of the well-being of the working people, including the consistent improvement in the supply of various kinds of consumer goods to the Soviet people, is one of the principal goals of the CPSU's socioeconomic policy. The Integrated Program for Consumer Goods Production and Services for 1986-2000 is presently being drafted. The implementation of the broad spectrum of interconnected measures contained in the program will make it possible to raise the satisfaction of the Soviet people's needs to a qualitatively new level.

The basic role in the successful implementation of the program belongs to Soviet industry. More than 2000 associations and enterprises have already begun producing additional consumer goods under the current five-year plan. Light industry, which incorporates 28 different branches and production facilities that account for 56 percent of all nonproductive consumer goods produced in the nation, is confronted with very important tasks in this regard. Enterprises in heavy as well as local industry will contribute to the considerable increase in consumer goods production.

Much has been and is being done: between 1973 and 1983, light industry's output increased 1.5-fold and the production of consumer durables doubled.<sup>1</sup> Under the present five-year plan, it has been possible to produce sufficient quantities of numerous products that were previously in short supply. The production of bed linen, children's clothing, porcelain ware and furniture has been increased significantly.<sup>2</sup> The Soviet people today own substantially more household appliances: for every 100 families, there are now 92 television sets, 89 refrigerators and 70 washing machines compared with 8, 4 and 4 in 1960 and 51, 32 and 52 in 1970, respectively. It will be impossible to attain a high ratio of basic commodities in this group to the Soviet population in the future unless the corresponding branches of industry update their product mix on the basis of new technology since consumer demand is shifting in favor of sophisticated, high quality products that are reliable, convenient and

harmonious with the decor of modern apartments. This also requires that Soviet industry develop and mass produce fundamentally new machines and household appliances: video recording and playback machines, dishwashers, a wide range of electronic appliances, certain types of compact machinery, including machines for use on personal household plots, etc.

In addition to mobilizing all internal resources and the broader involvement of enterprises and associations of various branches in the production of consumer goods, an appreciable contribution to the successful fulfillment of the program's measures can also be made by foreign economic relations, by exploiting the advantages of the international division of labor. The expansion of mutually profitable cooperation between the USSR and interested foreign countries in trade, production, and science and technology could promote the more complete satisfaction of the population's needs for high quality consumer goods, the better mix of these goods, the earlier introduction of fashionable innovations into production, and the diffusion of progressive experience of foreign countries in the production and sale of these goods.

The supplementary use of external resources will make it possible to carry out a number of the indicated measures in a shorter time and to reduce the expenditure of resources. The foreign economic section of the program and the determination of the long-range, strategic tasks of cooperation in the given branch complex, which are calculated for the entire period of the program, and immediate, specific measures, acquire importance in this respect.

Relations with CEMA countries--our principal trade partners--in the area of consumer goods occupy a special place in the USSR's foreign economic relations. Every year, under the current five-year plan, the Soviet Union imports approximately 6-6.5 billion rubles' worth of consumer goods from the fraternal countries, which is approximately 75 percent of Soviet imports in this category. European countries in the [socialist] community supply the USSR with predominantly light industry products and purchase durable goods, various household appliances, raw materials, and semifabricates for light industry from the USSR.

The Soviet Union is interested in a general increase in imports of high quality consumer goods from socialist countries. Essential agreement on the further development of cooperation in this area was attained at the Economic Summit Conference of CEMA Member Nations (Moscow, June 1984). The documents of the conference indicated the basic directions of cooperation of the fraternal countries in the development of consumer goods production and reciprocal trade in these goods: the strengthening of the raw materials base; technical retooling and modernization of the corresponding branches of industry; increase in the production of reciprocal trade goods; expanded cooperation in the production of durable goods; and increased trade in high quality consumer goods.

The practical implementation of the conference's principles is one of the most important tasks in the coordination of the national economic plans of CEMA member nations up to the year 1990. The press has noted that in view of the shortage that exists to a certain degree in investment resources for the

development of Group 'B' branches, the service sphere, and certain branches of machine building, the Soviet Union could, together with other socialist countries, carry out an economic maneuver whereby the Soviet Union would supply these countries with fuel and raw materials and receive from them increasing volumes of products of comparable economic worth, including food, manufactured consumer goods, low-tonnage chemical and construction materials, and machine building products of a high technical level. The objective prerequisites for this are at hand.<sup>4</sup>

One of the prerequisites to such an "economic maneuver" is international specialization and cooperation in production (MSKP) of consumer goods based on coordinated structural policy and the objective conditions for the development of the corresponding branches in the fraternal countries. The high level of technical inputs per worker at many light industry enterprises in European CEMA countries and their highly skilled and experienced work force assure that they will deliver high quality goods, especially mass-produced outer garments, knitted sportswear, cloth footwear, and leather goods. Guided by the USSR's long-term import needs for specific types of products in this category, they could substantially expand their production for the Soviet market, intensify the export specialization of a number of branches, and carry out the necessary measures in the area of capital investment, reconstruction and rationalization in their industry. This means that the Soviet Union will not have to expand its production in certain processing branches of light industry, particularly in regions and centers afflicted with manpower shortages, and will be able to satisfy its needs for individual commodities on the basis of imports to a greater degree.

Up to now, light industry modernization programs in most CEMA countries, in addition to satisfying internal needs, have been oriented toward increasing exports, especially to Western markets, in order to pay for technologies and equipment purchased in the West, which has made their economies dependent on capitalist countries to a certain degree. This trend can be effectively countered only by the concerted effort of countries in the [socialist] community to strengthen the material-technical base of consumer goods producing branches through the attainment of a higher degree of technological invulnerability vis-a-vis the West in deliveries of raw materials, machinery, and equipment. It is difficult to exaggerate the significance of cooperation in production and in science and technology among CEMA countries in the indicated direction. The further intensification of MSKP of finished light industry products, household appliances, semifabricates, raw materials, and machinery for their production, parts, and spare parts would help to invigorate trade in these products between the USSR and its partners in the socialist camp, which would raise the degree of saturation of domestic markets with a broader product mix and would also mean a saving of capital investments.

The international specialization and cooperation in production between the Soviet Union and countries in the socialist community, especially in the area of chemical raw materials (synthetic fibers and artificial leather) and equipment for light industry branches effectively promote the resolution of raw materials and technological questions in the development of consumer goods production today and consequently are expanding the base for their reciprocal

trade and for raising the level of ownership of these goods by the population. Implemented MSKP agreements in light industry also attest to their positive significance to our national economy.

In accordance with MSKP agreements with fraternal countries, during the current five-year plan the Soviet Union will receive a broad assortment of fabrics and accessories for furniture, toys, and certain sporting goods. From Czechoslovakia and Romania, it will receive kitchen furniture which is in high demand (these countries are expanding its production in the hope of a stable, guaranteed market). However, there are still too few examples of such international specialization and cooperation in the production of light industry products in countries in the [socialist] community. Improvement of the MSKP mechanism, the development of direct relations between light industry enterprises of socialist countries, and the organization of joint firms in conformity with the documents and decisions of the last sittings of the CEMA session, the materials of the 26th CPSU Congress, and congresses of the fraternal parties are an important reserve for increased cooperation in this direction.

The search for new directions of effective international specialization and cooperation in the manufacture of consumer goods should be continued within the framework of the coordination and implementation of bilateral long-range programs for specialization and cooperation between the USSR and other CEMA countries (which are being extended up to the year 2000) and in the development of the corresponding subprograms of DTsPS [long-term cooperative target programs] for the satisfaction of the population's rational need for this group of products. The entire system of MSKP measures could be viewed as an integral part of the coordination of national economic plans for a corresponding branch complex.

Another way of increasing consumer goods in addition to foreign trade and specialized deliveries is assortment exchange through ministries of internal trade. The USSR is presently practicing such forms of assortment exchange with CEMA countries and Yugoslavia as border trade, exchange between large department stores, and the sale of goods through a network of national stores of socialist countries (Belgrade, Budapest, Prague, Polish Fashion, Sofia, etc.) that are affiliates of large Soviet department stores specializing in the sale of goods from other countries. These forms have on the whole proven justified: they promote the liquidation of inventories in excess of the norm; accelerate turnover time in the retail network; help to saturate markets with products that are in high demand; and benefit each partner in the form of the growth of trade turnover and the expansion of the mix.

Nevertheless, the share of products sold in this way in total trade turnover is not large. The main directions in the improvement of the work of trade enterprises of the USSR and CEMA countries exchanging consumer goods from the resources of trade ministries are: the creation of conditions for the acceleration of exchange by bestowing the appropriate rights on trade organizations and increasing the share of high quality fashionable products in total sales volume inter alia through the more active utilization of internal trade fairs and international product screening exhibits.

Analysis of the potential for expanding imports of consumer durables to the Soviet Union from socialist countries indicates the existence of not yet utilized reserves especially in the sphere of international specialization and cooperation in their production. There is a general awareness of the need to elaborate a long-term import policy on commodities in the given group that would become a component part of the integrated program for commodity production in the USSR. It could reflect basic directions of cooperation and specific forms of their practical implementation for various groups of countries--socialist, developing, and industrially developed capitalist.

Another important component part of the program for the development of consumer goods production, in the implementation of which CEMA countries could actively join, is the technical retooling and modernization of light industry branches in the USSR. At the present time, cooperation in this area is developing in various forms: foreign trade deliveries of machinery and equipment for the textile, sewing, leather footwear, and wood processing branches; international specialization and cooperation in the production of equipment, including the joint development of new models of technically progressive machines at the world level of quality and reliability; and the integrated participation of the fraternal countries in the reconstruction of Soviet light industry enterprises. The interaction of countries in the [socialist] community in the process of modernization of the technical production base of branches of the consumer goods complex is of fundamental importance for the successful realization of the principal goal of the program: the substantial improvement of product quality, the accelerated renovation of the product mix, and the intensification of consumer goods production.

The further growth of labor productivity and the improvement of working conditions in light industry (like the task of conserving material resources) are integrally connected to the broad introduction of progressive machinery and technology. The basic responsibility here is borne by the machine building branches that serve the production of the corresponding consumer goods. The indicated program for the development and series production of new machinery for light industry in the USSR in 1981-1985 envisages the development of approximately 500 types of equipment, i. e., approximately 100 new types of machinery, machine tools and lines must be introduced in the branch every year. The plan calls for enterprises belonging to Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] to produce 12,500 spindleless spinning looms, over 60,000 shuttleless weaving looms, 15,000 cotton carding machines, 850,000 general and special purpose sewing machines, and a large quantity of other equipment before the end of the current five-year plan.<sup>5</sup> The next five-year plan will confront Soviet machine building with the still more serious task of satisfying light industry's needs. This will include the development and assimilation of the production of more than 1200 of only the most important machines and increasing deliveries to enterprises of sets of machines that presently do not exceed 17 percent of the total volume (a large percentage of the equipment is delivered to the branch in the form of separate machines). However, the general needs of the consumer goods producing branches substantially exceed the named figures.

In the majority of cases, the production of consumer goods is a complex technical process, the functioning of which is secured by the products of many branches and many types of production. No single country in the world can produce the entire gamut of the necessary production equipment (nor is this economically feasible). Thus, experts estimate that approximately 2000 basic types of textile machines are required in the normal production process in the modern textile industry.<sup>6</sup> Therefore the role of the international division of labor and the mutually profitable economic and scientific-technical cooperation of CEMA countries in machine building for consumer goods production is objectively growing.

Before the end of the current five-year plan, the Soviet Union's light industry should receive 5.2 billion rubles' worth of equipment, including more than 1.2 billion rubles' worth of equipment from CEMA countries. STB-type shuttleless looms produced by the Cheboksary Machine Building Plant in cooperation with enterprises in the fraternal countries (their use in place of mechanical weaving looms makes it possible to raise the productivity of equipment 1.5-2-fold) continue to be installed in weaving production. At the present time, 60 percent of the textile industry's weaving looms in silk production, almost 100 percent of the looms in wool production, and approximately 20 percent of the looms in cotton production are shuttleless.

Spinning production is being successfully modernized: more than 30 percent of all cotton yarn is now produced by BD-200 pneumomechanical spinning looms (produced by the Penza Machine Building Plant in cooperation with the Czechoslovak Elitex concern) that produce approximately 2 billion meters of textiles. The USSR leads the world in the volume of introduction of this mode of spinning.

In the last decade, the technical level of machinery and equipment produced in countries in the socialist community for light industry has been raised and their mix has been continuously renewed under the influence of changes in the technology for producing textiles, clothing and footwear. A number of countries with a traditionally developed textile machine building industry, the German Democratic Republic and the Czechoslovak Socialist Republic in particular, have a considerable knowhow in all modern directions of machine building for light industry. These countries have also organized the series production of progressive types of equipment, including totally mechanized production lines--flowlines for textile, sewing and footwear enterprises; knitting machines with electronic elements; automatic laser cutting and sewing machines, and have begun using industrial robots to tend production equipment.

A large number of machines and equipment developed and produced in CEMA countries correspond to the world level. In the GDR: flatbed double-knit rib fabric machines and warp looms for the knitwear branch; industrial sewing machines; spinning equipment for natural fibers and artificial silk; laundry and dry cleaning equipment that are widely exported to countries in the community; and Malimo knitting-sewing machines used in the production of nonwoven materials. The CSSR has scored special successes in textile machine building, 80 percent of the output of which, including "turnkey" deliveries, is exported. BD pneumatic spinning machines have won the greatest world renown. The license for the technology of spindleless spinning, the priority

for the invention of which belongs to Czechoslovakia, has been sold to many countries in the world. Automatic and hydraulic weaving looms are also outstanding for their high technical level. The CSSR is the only CEMA country that produces compact knitting machines. During the current five-year plan, Czechoslovakia will assimilate the series production of a new type of automatic spinning machines, Kontis multiple-shuttle weaving looms, improved spindleless spinning machines designed to operate at 75,000-80,000 rpm, and compact automated knitting machines. The Hungarian People's Republic has developed a series of machines incorporating minicomputers and lasers for the sewing industry. During the current five-year plan, cutting, quilting-sewing and pressing machines are being delivered to the USSR. On the basis of four domestic inventions, the Bulgarian People's Republic has developed the Kruts program controlled system which operates on the basis of integrated circuits. Used in conjunction with STB weaving looms, it sharply reduces equipment idle time and raises equipment productivity 40-fold (when programs are replaced).

Thus in the sphere of the scientific-technical and production base of the corresponding machine building branches of CEMA countries, favorable conditions have been created for the intensification of reciprocal deliveries of progressive equipment. In the course of joint planning activity, fraternal countries will have to coordinate conventional foreign trade and cooperative deliveries with forecast needs for specific types of machines (including those of Soviet light industry). Branch scientific-technical programs for the development of machine building in individual countries also need to be reciprocally coordinated in greater depth within the framework of coordinated economic and scientific-technical policy (as specified in documents of the Economic Conference). Practice demands the coordination of structural changes in the machine building base to the task of retooling on a new technological base the entire complex of branches engaged in the production of consumer goods. A large part here will be played by the development and intensification of international specialization and cooperation in production. Cooperation in the production of the latest machine systems must occupy a leading place in the future. This will permit their series production in a shorter period of time at minimum cost.

The integrated participation of fraternal countries in the reconstruction of Soviet enterprises is a relatively new form of cooperation that is aimed at using the scientific-technical potential and production base of fraternal countries for expanding consumer goods production. During the current five-year plan, the GDR, HPR and CSSR participated for the first time in the reconstruction of Soviet light, food, local, and consumer service industry enterprises.

The essence of this type of cooperation consists in the implementation of interconnected measures relating to the introduction of progressive technology, machinery and progressive labor organization in production in the interest of the all-round intensification of the production of consumer goods. Cooperation in the technical retooling of enterprises usually guarantees an increase in output from the same production capacities, raising their quality to the world level, a reduction in the number of service personnel, a lowering of losses of raw materials and supplies, improvement of working conditions, and higher labor productivity. It presupposes the exchange of scientific-

technical knowhow and special deliveries of the corresponding equipment and materials. One of the conditions to reconstruction work in light industry is the development of collections of models of fashionable goods to be produced following reconstruction.

The first agreements on such cooperation were signed at the intergovernmental level in 1982 between the USSR and the GDR and between the USSR and the HPR. A number of the indicated measures have already been implemented. Thus the retooling of the head enterprise of the Lvov "Lighthouse" Sewing Association (for the sewing of women's outer clothing) and the First of May Sewing Factory in Tbilisi was completed by specialists of the renowned Budapest Sewing Factory in only 15 months.

The GDR is very active in cooperative reconstruction efforts. In keeping with an understanding between our countries, 11 intergovernmental and interdepartmental agreements have been signed; in all, more than 20 enterprises, shops and sectors are undergoing reconstruction. One agreement concerns the terms of cooperation in the reconstruction of nine enterprises in the USSR sewing industry; others relate to the rationalization of production at footwear factories; to the creation of sectors for processing silk production waste and the technical reoutfitting of factories producing knitted gloves and textile haberdashery.

The projects that are being carried out with the participation of the GDR in 1984-1986 included: the Footwear Factory im. Kapranov in the Moscow "East" Association, the "Dawn of Freedom" Factory, the Leningrad "Skorokhod" Footwear Association (modern lines for the production of men's, women's and children's footwear with textile uppers); a number of sewing enterprises, including three men's outerwear factories (in Yerevan, Pyatigorsk and Tashkent); the "Red East" Glove Factory and the Moscow Textile Haberdashery Association. Shops for processing production waste (for producing linen cord, packing cord and other needed products) will be built at silk factories in Lutsk, Namangan, Cherkassy, Orenburg, and Lisichansk.

Agreements have also been concluded on the joint reconstruction of local industry enterprises with the participation of GDR specialists. The implementation of these agreements will make it possible to increase capacities and to renovate the product mix of enterprises engaged in the production of musical instruments, baby carriages and toys. A number of agreements signed in the latter part of 1983 within the framework of bilateral commissions on economic and scientific-technical cooperation between the USSR and the USSR are devoted to improving the production of upholstered furniture. Specialists of the Berlin Furniture Combine will render technical assistance in introducing improved techniques for producing upholstered furniture parts and final finishing techniques at factories belonging to the Rostov Association im. Uritskiy. The production of chairs will be improved at the Moscow Furniture Combine and the Thuringia Combine (GDR): folding chairs in the USSR; bentwood chairs in the GDR.

In accordance with agreements between the USSR and the HPR on the technical retooling of sewing factories, the Hungarian side has developed and transferred technologies, clothing models and pertinent technical

documentation; delivered, installed and started up machinery; and trained Soviet specialists. Thus the technical retooling of the Lvov and Tbilisi sewing factories made it possible to organize the additional production of high quality goods and to increase labor productivity by 10-15 percent. The retooling process in Lvov took place without a drop in production volume. The new technology permits the rapid transition from one product to another.

Hungarian specialists (shoemakers and machine builders) are also participating in the reconstruction of a number of shops at the "Paris Commune" Footwear Factory in Moscow. The "Minoshegi" firm and the "Tannimpeks" VTO will deliver basic component parts for the production of high-fashion footwear. The HPR is participating in the reconstruction of the Krasnoyarsk Furniture Factory, in the reconstruction of 21 radio and television repair enterprises, and in the technical retooling of nine home refrigerator plants.

Czechoslovakia will render substantial aid to our country in the reconstruction of light and food industry enterprises. Under the current five-year plan, it will deliver equipment for the modernization and reconstruction of a tannery in Yerevan, the Voroshilovgrad Footwear Production Association, and a knitwear factory in Zhodino (Minsk Oblast). Reconstruction creates good potential for the subsequent development of direct ties between enterprises in the same area of specialization owing to the equalization of technical conditions of their production facilities, the similar technological parameters of their output, the similarity of materials and standards (exceptionally important for intrabranch cooperation) and as a result of the establishment of close contacts between representatives of worker collectives. Thus, this form of cooperation can promote not only the growth of output for the internal market, but also for the intensification of reciprocal trade in the process of cooperation.

The study and utilization of the positive experience of socialist countries in this area are of substantial importance for improving the organization consumer goods and trade. In particular, CEMA countries are actively searching for optimal practical solutions to such important questions as: the reduction of differences between the interests of consumer goods producers and customers; the stimulation of the production of high quality products and the renovation of their mix; the strengthening of direct ties and feedbacks between production and trade; improvement of all forms of retail trade; study and forecasting of consumer demand and the formulation of industry's orders accordingly.

Interesting experience has been amassed in the GDR, where all the nation's industrial combines, which are assigned special targets in the "thousand trifles" group, have joined in the production of consumer durables. In order to satisfy the population's demands more completely, a number of enterprises have set up special groups for analyzing the consumer qualities of products. There is continuous contact between producers and trade officials as well as direct contact with the customers, particularly during "production days" that are held in large department stores and factory outlet stores. Relations of republic retail trade are also developing successfully with wholesale trade: 70 percent of the goods go to the stores directly from the enterprises and only 30 percent from wholesale bases. All this reduces shipping costs,

prevents breakage and spoilage, and permits the efficient satisfaction of demand. Production collectives in the GDR are placed in conditions that force them first of all to take quality as well as the conservation of raw materials and supplies into account. Trade strictly monitors the work of enterprises: it is entitled to reduce the retail price on products at factory expense, for example, to reduce the price of footwear by 12 percent, which is reflected in the bonus fund.

In the CSSR, there is an analogous contractual system of interrelations between consumer goods producing industry and trade, which presupposes equal responsibility of both sides for the satisfaction of the customers' needs. Both industrial enterprises and trade study the market for consumer durables.

In 1979, the HPR established a requesters council under auspices of the HPR Ministry of Domestic Trade (the council is staffed by representatives of trade associations). It compiles catalogs of scarce goods, forecasts the requirement for them several years ahead of time, notifies enterprises accordingly, and organizes product exhibits. Trade organizations interested in obtaining scarce products may render financial assistance to supplying enterprises from their development funds. In some cases, the bank grants low-interest loans to an industrial enterprise. The requester (trade) guarantees industry a market and assumes the obligation to accept a certain product mix on a contractual basis for one or several years.

CEMA countries devote much attention to stimulating the production of high quality products and to keeping clearly defective, unsalable products off the store shelves. Bulgaria, for example, holds exhibits of poor quality consumer goods that provide the basis for light industry and domestic trade leaders to approve a list of goods to be taken out of production.

The USSR's creative application of experience amassed by the fraternal countries in the production and sale of consumer goods, the development of closer cooperation, and the intensification of direct ties between industrial enterprises and trade organizations will undoubtedly contribute to the solution of numerous important problems confronting Soviet light industry and domestic trade.

At the present time, CEMA organs, bilateral intergovernmental commissions on economic and scientific-technical cooperation, and state planning agencies are engaged in a considerable effort to increase the contribution of socialist countries to the resolution of large-scale problems of the USSR national economy, including the fulfillment of the Food Program and the increased production of consumer goods. The active use of the USSR's foreign economic relations with socialist countries and other countries in the implementation of the integrated program for the development of consumer goods production will promote the more rapid and effective resolution of the posed problems, the enrichment of the consumer goods mix in the domestic market, the satisfaction of part of our internal needs through cooperation, and the modernization of the production potential.

#### FOOTNOTES

1. PRAVDA, 30 September 1983.
2. SOVETSKAYA ROSSIYA, 28 February 1984.
3. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 6, 1983, p 5.
4. Ibid., No 12, 1984, p 24.
5. TEKSTILNAYA PROMYSHLENNOST, No 1, p 3.
6. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 1, 1982, p 44.

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PRODUCTION CONTROL URGED FOR LEATHER, FUR GOODS

Moscow MYASNAYA INDUSTRIYA SSSR in Russian No 6, Jun 85 pp 3-7

[Article by Yu. A. Krokha, deputy minister, USSR Meat and Dairy Industry: "Proper Attention Must be Paid to the Quality of Leather and Fur Raw Materials"]

[Text] The efforts of the party and the people are presently directed toward implementing the decisions of the 26th Party Congress and subsequent plenums of the CPSU Central Committee and bringing the 11th Five-Year Plan to a successful conclusion.

The meat industry is the principal supplier of leather and fur raw materials. Its share in the total procurement of hides and skins is: cowhide--73 percent; skins of sheep and goats -- 43 percent; and pigskins--88. Our country leads the world in the production of leather footwear and certain types of fur goods. Hence the supply of a sufficient quantity of raw material of the proper quality to branches of light industry is a matter of great importance to the national economy.

During the current five-year plan (1981-84), the meat industry increased the production of hides and skins as follows: cowhide--from 23.4 million to 25 million units; sheep and goat skins--from 22.3 million to 24.8 million units; and pigskins--from 27.4 million to 32.2 million units.

In 4 years of the current five-year plan, the branch built 30 new and rebuilt 115 hide preserving shops and 65 facilities for storing and drying hides; installed 29 equipment complexes for preserving hides in brine, 23--for purifying brine-preservation solutions and 26--for preparing preservation mixtures. One hundred seventy-four enterprises installed air compressors used to process carcasses and 211 enterprises mechanized their warehouse and transport operations. Of the 4185 trained workers, 546 attended technical and vocational-technical training schools and 3637 received their training on the job; 2080 engineers, technicians and workers in hide-preservation production upgraded their skill levels.

All-union, interrepublic and republic seminars and workshops on ways of improving the organization of production and the quality of hides and skins are held at regular intervals for meat industry specialists. Many meat industry enterprises work continuously with livestock suppliers to reduce damage to the skin covering of animals delivered to the combines. Industry is introducing progressive methods of transporting livestock, hides and skins:

the shipment of 37 percent of the livestock in 1984 was centralized and 32.2 percent of the hides and skins delivered to light industry enterprises were delivered in large units.

With the participation of interested ministries and departments, the standard on sheepskins was revised. This, together with other measures, made it possible to increase the resources of this type of raw material. In particular, the volume of procurement of the hides of premature lambs and sheepskins to be used for leather was reduced and GOST [all-union state standard] 1134-73 on "Leather Raw Materials" was partially amended. Based on a decision of the Bureau of the Scientific-Technical Council of the USSR Meat and Dairy Industry, an integrated scientific-technical program for developing model hide-preserving shops using progressive technology and equipment during the current five-year plan in the RSFSR, Kazakh SSR and Latvian SSR was devised and approved. An exhibit devoted to "Increasing the Effectiveness of Hide-Preserving Production," which was organized at the VDNKh SSSR [Exhibition of the Accomplishments of the USSR National Economy], was the basis for an all-union seminar (attended by branch managers and specialists) on improving the equipment and technology used in processing and preserving hides and skins and on the mechanization of warehouse and auxiliary operations in hide-preserving production. The VDNKh SSSR awarded medals and certificates to scientific research institutes, associations, enterprises and specialists in the meat industry for developing and introducing new technology and progressive equipment.

VNIIMP [All-Union Scientific Research Institute of the Meat Industry] and innovators at many meat industry associations and enterprises have made a substantial contribution to improving and developing the technology of processing and preserving hides. A technique for mechanizing the preservation of hides and skins based on the use of dry picklers and the Ya1-FPG system of machines was developed during the current five-year plan. The development and introduction of techniques for preserving cowhides in brine without subsequent pickling make it possible to reduce the cost of processing hides by 309 percent, to reduce the duration of soaking and liming operations at tanneries, and to reduce the pollution levels of sewage.

A number of branch enterprises are successfully using the Ya8-FKM overhead metal drum (developed by VNIIMP) that also makes it possible to reduce the time required to preserve pigskins significantly. The annual economic effect per drum is 9000 rubles. Quality cleaning of hides is provided by centrifuges that remove the felt from cowhides. They have been developed and introduced by specialists at the Volgodonsk, Lipetsk and other meat combines. The annual economic effect of using a centrifuge at the Volgodonsk Meat Combine is 4200 rubles.

Enterprises belonging to the Ukrainian SSR and Belorussian SSR Minmyasomolpromy [Ministries of the Meat and Dairy Industry] have experience in improving the organization of labor in skin-preservation production. Among them, we should note the Vinnitsa Meat Combine in which an integrated brigade in the hide-preservation sector has been successfully striving for high production indicators since 1982. A method for cutting rounds from pigskins

has been developed and introduced to ensure the rational and effective utilization of raw materials in the meat industry and light industry.

As a result of measures taken during the current five-year plan, the quality of cowhides in top-grade units has been raised 0.5 percent; pigskins--1.7 percent compared with the preceding five-year plan.

Some positive results were also attained in the past year. The quality of cowhides and pigskins improved slightly compared with 1983: 92.9 percent of the cowhides and 65.2 percent of the pigskins were top grade.

Enterprises belonging to the Belorussian SSR, Georgian SSR, Lithuanian SSR, Moldavian SSR, and Latvian SSR Minmyasomolpromy have made an important contribution to improving the quality of all types of hides.

The meat industry has amassed positive experience in the effort to improve the equipment and technology used in the primary processing and preservation of hides and skins, the mechanization of warehouse and auxiliary operations and hide-preservation production, in improving the organization of production and the quality of hides. The Latvian Minmyasomolprom developed and introduced an integrated system for improving the quality of hides and skins. As a result, it was possible to increase the percentage of hides and skins in the top grade in 1981-84 compared with 1980 as follows: cowhides--0.5 percent; goatskins and sheepskins--5.5 percent; pigskins--8.4 percent.

Work to expand the introduction of progressive methods for the initial processing and preservation of hides has been continued in the Belorussian SSR Minmyasomolprom. The Minsk and Slutsk Meat Combines employ an accelerated method for the brine-preservation of cowhides without subsequent pickling; tannery representatives accept and batch production lots at meat combines. The Mogilev Meat Combine has continued to process hides in a cold aqueous antiseptic solution. The Grodno and Bobruysk Meat Combines have delivered steamed cowhides to the tanneries.

The work experience of the Kharkov Meat Combine merits study and wide dissemination. As a result of the reconstruction of the old hide-preservation shop, the development of new equipment, the elimination of flaws from existing equipment and the mechanization of labor-intensive processes in the initial processing of hides, this enterprise has built a highly mechanized hide-preserving shop. Battery-operated trucks, telfers, overhead-track hoists, winches, and pallets are being successfully used in loading, unloading and transporting hides. The shop has organized the flowline processing of all types of hides. This ensures the convenience and safety of production operations, the uniform delivery of hides to the workplace, the rhythmic processing of the hides, and excludes the accumulation of hides in the workplace.

As a result of the use of modern equipment and technologies, the level of mechanization in the shop was 71 percent compared with 24 percent before reconstruction. The shop's work force declined by 17 persons and labor productivity rose by 18 percent.

Drums for the dry pickling of pigskins have been redesigned to meet the shop's conditions. They are equipped with protective shields, with a device for changing the speed of rotation; their loading and unloading are mechanized. A space conveyer and a rig for preparing and cleansing a brine solution on the flowline have been redesigned and have been operating stably for a long time. Communicating vessels maintain the brine in this system at the proper level. Centrifugal pumps are used to keep the brine in motion and to remove the sludge from the vat. A system is used for squeezing and additional pickling of cowhides. The shop's own work force developed and is operating an electronic system for monitoring the functioning of the equipment and the entire hide-treatment process.

For the first time in the work practice of hide-preservation shops, the automatic regulation of temperature and humidity in production areas has been used in the processing and preservation of hides, which promotes the normal execution of production operations.

The proper living conditions have been established for the workers. Labor protection and safety engineering are well organized. The color of production areas and equipment corresponds to modern esthetic demands.

Socialist competition and yearly All-Union Contests for the Quality of Hides and Skins and the Effectiveness of Their Utilization have been very important factors in improving the organization of production of skins and hides and in improving their quality. Twenty-four production associations and enterprises of the meat industry were awarded cash prizes and honor certificates of the USSR Meat and Dairy Industry and the Central Committee of the Trade Union of Food Industry Workers for the best performance in improving the quality of hides and skins. Contest winners included the Minsk, Lvov, Alma-Ata and Moscow meat industry production associations, the Kharkov, Shakhtinskiy, Taurage, Valmiyere, Vinnitsa, and Yerevan Meat Combines, etc.

Many remarkable people, upon whom technico-economic and quality indicators depend to a considerable degree, work in various sectors of the hide and skin industry.

High results have been achieved by M. Dzhulumov, hide sorter, Uralskiy Meat Canning Combine; Hero Socialist Labor; L. I. Gorbachev, bleacher, Shakhtinskiy Meat Combine; winner of the USSR State Prize; L. P. Khlopin, hide sorter, Alma-Ata Meat Canning Combine; G. N. Lobentsova, hide-preservation shop foreman at the Kharkov Meat Combine; Z. T. Meklumyan, hide pickler at the Baku Meat Combine; A. Ya. Utkin, hide-preservation shop at the Semipalatinsk Meat Canning Combine; Z. V. Kuznetsova, hide sorter at the Kolomna Experimental Meat Combine; T. P. Burzhhanadze, slaughter shop foreman at the Goriyskiy Meat Combine, and many others. Every year, there are more and more such remarkable people who are good specialists and production organizers. They convey all their vast production experience and knowledge to their workmates and to young specialists.

In the process of critically evaluating the results, it should be noted that there are still many shortcomings as well as unutilized reserves and possibilities in industry's work. According to the results of 4 years of the

current five-year plan, the meat industry did not fulfill the established target for hide production. For the most part, this was the result of the nonfulfillment of livestock procurement plan. However, meat enterprises are also to blame for this to a considerable degree.

In the process of drafting hide purchase plans, some union republic meat and dairy industry ministries did not participate sufficiently in determining their actual production volume. Owing to shortcomings in planning, many associations and enterprises were unable to bring hide production targets into line with the volume and types of livestock delivered for processing. For this reason, enterprises belonging to the Belorussian SSR Minmyasomolprom regularly fail to meet their quota for the production of cowhides while overfulfilling their quota for pigskins. The Turkmen SSR Minmyasomolprom fails to meet its target for sheepskins and goatskins but overfulfills its quota for cowhides and pigskins.

There are analogous shortcomings at enterprises in other republics.

Some union republic minmyasomolpromy have failed to meet targets for strengthening the material-technical base of hide-preservation shops. Thus in 4 years of the 11th Five-Year Plan, the RSFSR Minmyasomolprom fulfilled the target for the construction of hide-preservation shops by 65 percent; for warehouses and hide dryers--by 20 percent; for the reconstruction of hide-preservation shops--by 67 percent; for the installation of equipment for preserving hides in brine--by 17 percent; for mechanizing warehouse and transport operations--by 83 percent; for the installation of air compressors for processing carcasses -- by 55 percent; for raising the skill level of engineers, technicians and workers in hide-preservation production--by 58 percent.

In 4 years of the 11th Five-Year Plan, the Turkmen SSR Minmyasomolprom planned the installation of air compressors for processing carcasses and the mechanization of warehouse and transport operations at four enterprises; in actuality, these measures were implemented at only one enterprise. This republic has not devoted sufficient attention to training workers, engineers and technicians for hide-preservation production.

There have been similar shortcomings in the work of minmyasomolpromy of the Uzbek SSR, Kazakh SSR, Kirghiz SSR, and other republics.

The Kazakh SSR Minmyasomolprom has not made the proper effort to introduce progressive technology at subordinate enterprises; to build and rebuild hide-preservation shops; and to mechanize loading-unloading, transport and warehouse operations based on the experience of the Alma-Ata Meat Industry Production Association.

During the current five-year plan, the quality of sheepskins and goatskins declined by 0.3 percent top-grade units compared the meat industry's preceding five-year plan. In 1984, compared with 1983, the quality of this raw material declined sharply and comprised 73.8 percent top-grade units.

In 1984, quality targets for cowhides were not met by Minmyasomolpromy of the RSFSR, Ukrainian SSR, Uzbek SSR, Kazakh SSR, and Turkmen SSR; quality targets for sheepskins and goatskins were not met by the corresponding ministries in the RSFSR, Ukrainian SSR, Uzbek SSR, Kazakh SSR, Azerbaijan SSR, Kirghiz SSR, Tajik SSR, Armenian SSR, and Estonian SSR; for pigskins--by the Uzbek SSR, Kazakh SSR, Azerbaijan SSR, Kirghiz SSR, Tajik SSR and Estonian SSR. The situation will remain the same in the current year. In the first quarter of 1985, compared with the corresponding period in 1984, there was a drop in the quality of cowhides produced by enterprises belonging to Minmyasomolpromy of the RSFSR, Ukrainian SSR, Kazakh SSR, Azerbaijan SSR, Kirghiz SSR, and Turkmen SSR; in the quality of sheepskins and goatskins--Ukrainian SSR, Kazakh SSR, Kirghiz SSR, and Armenian SSR; in the quality of pigskins--Ukrainian SSR, Kazakh SSR, Moldavian SSR, Latvian SSR, Kirghiz SSR; Tajik SSR; Turkmen SSR; and Armenian SSR.

The leaders of these minmyasomolpromy have slackened their efforts in the area of organizational work, are not making the proper demands on specialists working in hide-preservation production, and are not rendering the proper assistance and support to them.

Gross violations of the technology for the removal, primary processing and preservation of hides and of the rules governing the sorting, storage and shipment of hides have been detected at a number of enterprises. Many production processes are performed by hand, intrashop transport is not mechanized, and the organization of jobs and the quality of production are at a low level.

Analysis and evaluation of the quality of hides reveal flaws in slaughter and hide-preservation shops. A considerable number of cowhides and pigskins flawed during removal, primary processing and preservation are processed at the Elistinskiy, Borzinskiy, Tolyattinskiy, Kalininskiy, Rzhhevskiy, Kimrskiy, Yaroslavskiy, Astrakhanskiy, Kaspiyskiy, Nerchinskiy, Cherkesskiy and other meat combines.

The quality of sheepskins is especially poor at the Cherkesskiy, Akhubinskiy, Kimrskiy, Rzhhevskiy, Borzinskiy and Kaspiyskiy meat combines where the majority of this valuable type of raw material has production flaws at the time it is worked. Thus in the fourth quarter of last year, the Cherkesskiy Meat Combine of the Stavropol Meat Industry Production Association delivered a lot of sheepskins to the Tatarskoye Hide Association. Based on the results of the acceptance process, they were discounted by 23,000 rubles and moldy hides were sorted out. Following the acceptance of sheepskins from the Tolyattinskiy Meat Combine of the Kuybyshev Meat Industry Production Association, the sheepskins were discounted by 4000 rubles and a considerable number of shedding sheepskins were sorted out.

Up to 50 percent the sheepskins at the enterprises belonging to the Kalmyk association are moldy at the edges. In the absence of other flaws, sheepskins with this defect are downgraded to quality category II. This association sustains significant losses every year due to low-quality raw material.

Enterprises subordinate to Yaroslavl and Kalinin Meat Industry Production Associations continue to violate the rules governing the acceptance and processing of Romanov sheep and the rules for shipping the sheepskins that are produced as a result. As a result of production flaws, light industry enterprises accept and utilize Romanov sheepskins as raw material.

The Kungurskiy Meat Combine of the Perm Meat Industry Production Association shipped 2193 cowhides to the Yaroslavl Tannery. Twenty-five percent of them proved to have production flaws. The management of the given associations and meat combines was reconciled to this situation.

As a result of the indicated factors, the percentage of hides and skins in the top quality category throughout the RSFSR Minmyasomolprom is lower than the branch average as follows: cowhides--2 percent; sheepskins and goatskins--3.5 percent; pigskins--3.4 percent. This has had an extremely negative impact on the nation's meat industry. What is more, the quality of its sheepskins, goatskins and pigskins has proved to be the lowest among union republic minmyasomolpromy.

Similar shortcomings also exist in the work of other union republic minmyasomolpromy. Throughout the Kirghiz SSR Minmyasomolprom, the quality of all types of hides in the top quality category during the current five-year plan compared with 1980 declined as follows: cowhides--by 3.4 percent; sheepskins and goatskins--by 2.3 percent; and pigskins--1.9 percent. Half of the sheepskins processed by the Oshskiy, Kandinskiy and Rybachinskiy meat combines have production flaws. The count of production flaws does not correspond to their actual number. The mass of hides is understated, there is a substantial amount of resorting, felty hides are shipped, and the rules governing the storage of hides are not met.

Throughout the Kazakh SSR Minmyasomolprom, the quality of all types of hides in the top quality category during the current five-year plan deteriorated and compared with 1980 declined as follows: cowhides--by 2.1 percent; sheepskins and goatskins--0.8 percent; and pigskins--by 2.6 percent. A considerable number of the hides processed at the Arkalykskiy Meat Combine of the Kazakh SSR Minmyasomolprom have production flaws.

All pigskins processed at Tajik SSR meat combines are in quality categories III and IV. Between 1980 and 1984, cowhides in the top quality category declined by 4.7 percent; sheepskins and goatskins--by 1.5 percent. Similar shortcomings exist in the work of individual enterprises belonging to minmyasomolpromy of other union republics.

Special attention must be devoted to the quality of cleaning of delivered hides. Some meat combines continue to ship pigskins with sections of fat. Meat combines belonging to the Orenburg, Mordovian, Kostroma, and Sverdlovsk Meat Industry Associations show a clear lack of discipline in this regard.

Permanent meat industry representatives overseeing the delivery of hides and skins to leather processing enterprises play no small part in stepping up the monitoring of the work of meat enterprises to improve the quality of hides and skins and the results of their sale. They essentially cope with their task.

A considerable amount of experience has been amassed in managing the activity of delivery facilities. However, there are cases when nonspecialists are appointed delivery facilities. This complicates the work of meat combines and tanneries. Competent delivery facilities are the reliable support of industry in the effort to improve the quality of hides and skins.

In recent years, higher demands are made on work associated with the fulfillment of contractual delivery commitments. Questions pertaining to the delivery of hides and skins acquire special urgency in this regard. There are difficulties in this area. In order to resolve these difficulties, it will be necessary to address all questions associated with the processing of livestock and the formulation of hide purchasing plans. It will first of all be necessary to establish proper contact between the corresponding services of agriculture and the meat industry and light industry sales organizations.

In the elapsed 4 years, enterprises in the meat industry have undersupplied customers of various ministries and departments with a considerable number of cowhides, sheepskins, goatskins and pigskins. At the same time, there are difficulties in selling this type of raw material.

The inventory of individual types of leather raw materials increased by more than one-third between 1 January 1984 and 1 January 1985 at enterprises belonging to the Minmyasomolpromy of the RSFSR, Ukrainian SSR, Uzbek SSR, Kazakh SSR, Moldavian SSR and Kirghiz SSR. Notwithstanding repeated prohibitions, in 1984 some meat combines of the RSFSR Minmyasomolprom shipped approximately 100,000 hides of various types without contract to procurement offices of consumer cooperatives. While intrarepublic delivery quotas were overfulfilled, interrepublic delivery quotas were not met. As a result of the imbalance between types of processed livestock and the mix of hides indicated in contracts by individual minmyasomolpromy of union republics, the plan for delivering leather raw materials is regularly unfulfilled while the plan for pigskins is overfulfilled. Thus, work on the delivery of raw materials requires much attention on the part of meat industry enterprises and our allies--receivers of raw materials.

The problem of increasing the volume of hides and skins and of improving their quality acquires special urgency with every passing year. This is a complex problem that cannot be considered solely within the framework of the meat industry. Farms and enterprises belonging to the USSR Ministry of Agriculture and USSR Ministry of Light Industry must participate in its solution.

As is known, the consumer properties of hides form for the most part during the livestock's lifetime. In recent years, the average live mass of cattle and pigs has increased owing to the efforts of livestock growers. No small amount of work has been done to improve livestock strains. The material-technical base of animal husbandry is being strengthened. These factors promote the improvement of the quality of leather raw materials to be processed. However, the quality of sheepskins, goatskins and pigskins is not up to par.

The lowering of the quality of sheepskins and goatskins is in large measure associated with the processing of emaciated ship, the hides of which,

irrespective of the quality of skinning and processing, cannot be rated higher than quality grade IV, and with the fact that a considerable number of sheep are delivered immediately after shearing. The quality of the skins suffers when stock delivered to meat combines has damaged hair and skin cover.

Thus, the state of affairs requires that livestock growers improve the conditions under which livestock is maintained and that they carry out sanitary and zootechnical measures to prevent injury to the animals' hair and skin cover.

Meat industry enterprises must be more insistent in confronting the leadership of the appropriate agro-industrial organs with the question of reducing flaws in the integument of animals and of rendering assistance to kolkhozes and sovkhozes. This is demanded by the interests of not only the meat industry but of the national economy in general.

Practice shows that many unresolved problems have developed between suppliers and customers in recent years. For various reasons, there has been a continuous increase in hide inventories at meat combines; lots of hides are assembled for shipment over long periods of time; the quantity and time of defaulted lots increase; the quality of hides is downgraded due to incorrect storage at tanneries and hide factories; and light industry sales organizations do not accept the meat industry's substantiated proposals to replace individual assortments of leather raw materials planned for delivery. Our partners must attentively examine the meat industry's requests and resolve questions that arise in the public interest.

In order to improve the quality of hides and skins further, it is above all essential to introduce progressive methods for removing, processing and preserving hides and skins. Measures must be taken to increase to the maximum the volume of delivery of dry-pickled and acid-pickled sheepskins to the customer and at the same time to monitor more closely mandatory preservation methods within the established time. Direct deliveries of steamed and brined, unpickled raw materials to tanneries and hide factories should be continuously developed and improved and experience in this area should be widely disseminated. Measures must be taken to ensure the broad dissemination of the experience of Ukrainian SSR and Belorussian SSR meat combines at meat industry enterprises on the establishment of integrated brigades in hide-treatment shops. VNIIMP should accelerate work on preserving hides and pigskins through the use of chloride sulfate pickling solution and on the processing of cowhides in saltfree antiseptics in order to produce raw materials with a short storage period. Work must be completed on the development of facilities for preserving cowhides and pigskins with the use of electrical pulses and an integrated system should be introduced for improving the quality of hides and skins developed by the Latvian base department of the special design office of the ASUmyasomolprom [computerized management system of the meat and dairy industry] with due regard to local conditions. There should be close monitoring of the work of all sectors associated with producing, accounting, storing and delivering hides. The uninterrupted functioning of the appropriate production equipment must be ensured. The technology for

removing, processing, preserving and storing hides and skins must be observed. The established target for various grades of hides and skins must be met unconditionally in 1985.

In order to ensure the timely and quality processing of hides and skins without losses and to fulfill the established targets, we must in the near future complete the preparation of enterprises for the livestock processing season. It is important to make provision for the establishment of an appropriate material-technical base of slaughter and hide-preservation shops, for supplying them with the necessary preserving and auxiliary materials. It is essential to ensure the uninterrupted work of production equipment, which will create conditions for the quality performance of operations pertaining to the removal, primary processing and preservation of hides.

It is important to devote special attention to the training of personnel. The April (1985) Plenum of the CPSU Central Committee defined the directions of this work and noted that mere execution [ispolnitelnost] is no longer enough. At the present time, more and more importance is acquired by such businesslike qualities as competence, a feeling for the new, initiative, audacity, and the willingness to assume responsibility, the ability to pose a problem and bring it to its conclusion, and the ability to keep sight of the political meaning of management.

Workers in the meat industry will make every effort to carry out the tasks posed by the 26th CPSU Congress and subsequent plenums of the CPSU Central Committee and in their work will make a worthy contribution to the resolution of the principal task of improving the well-being of the Soviet people.

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CARTOON COMMENTARY ON PRODUCTION LOSSES

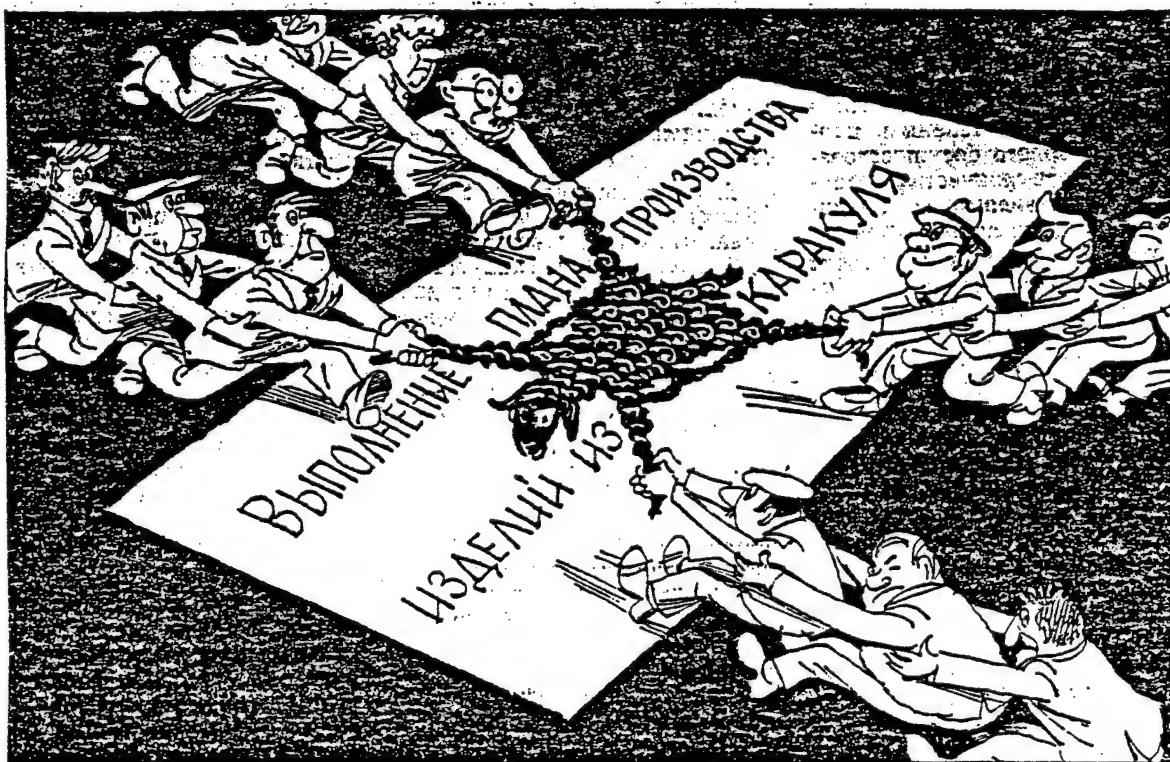
Moscow PRAVDA in Russian 27 Jun 85 p 3

In the All-Union Association "Soyuzmelkhprom" of the USSR Ministry of Light Industry, the production and deliveries of goods made from Persian lamb are violating state discipline. During the first quarter, the tasks for producing these products were satisfied by only 77 percent. And at the same time reserves of raw materials were created, exceedingly the yearly consumption of Persian lamb almost three times, permitting its losses to be more than three million square decimeters, at a cost of almost ten and one half million rubles. Plans for the production of products corresponding to style trends break down.

(From material of People's Control groups)

FULFILLMENT OF PRODUCTION PLAN FOR GOODS FROM PERSIAN LAMB

The Artist Comments



The Plan is being stretched.

Drawing by Yu. Cherepanov.

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

THREE MINISTRIES CITE IMPROVEMENTS IN CHILDRENS' FOOTWEAR

Moscow PRAVDA in Russian 26 Sep 85 p 3

/Article by G. Bilyalitdinova: "Shoes For Masha"/

/Text/ "For some time now, I have been unable to buy shoes for my grandchildren. The shelves of the shoe stores in our city are empty. Where can they be obtained?" (From a letter by V. Timokhina in the city of Arzamas in Gorkiy Oblast).

"I have searched in vain for footwear for my 9 year-old daughter. I believe that by the beginning of the school year something more or less acceptable will appear in the stores. But, alas..." (From a letter by E. Borisovaya in the city of Saratov).

"Why must the children wear crude and heavy footwear? Our grandmother lives in Rostov-na-Donu and shoes are needed there and it is difficult to buy sandals. When will there be an adequate supply of good quality childrens' footwear in all areas? (From a letter by N. Shilovaya in the city of Kostroma).

The Editorial Board turned these questions over to those whose work should permit them to clarify the situation.

Thus the following question was addressed to the USSR Deputy Minister of Trade S. Sarukhanov.

"Suren Yefremovich, what have you to say concerning the above letters?"

"Over the past few years, the requests and orders of trade organizations for the production of childrens' footwear have not been satisfied. During 4 years of the current five-year plan, the increase in production amounted to only 8 million pair and the production of box-calf footwear even declined by 1.4 million. If one takes into account the fact that the number of children in our country is increasing with each passing year, then the answer to the question as to why people cannot find footwear for their children in the stores is simply that there are not enough shoes for all. The demand exceeds the supply.

The situation is complicated by the fact that the established production plans for childrens' box-calf footwear are not being carried out. Over the past four

years alone, the trade organizations were undersupplied by industry in the amount of approximately 10 million pairs.

However, there is still one other important aspect to this problem. As is known, each year the trade returns up to 10 million pairs of shoes to the manufacturing enterprises. Some of our own miscalculations are involved here. Indeed we return not only low quality footwear. At times, the trade does not accept the footwear for other reasons. The demand has become selective and we must take this factor into account. In short, at times the trade workers have only a poor knowledge of exactly what the customer wishes us to produce."

"What measures are being undertaken to correct the situation?"

"It is my opinion that an improvement is taking place at the present time. During the first 6 months, the production of childrens' footwear amounted to 164.6 million pair, including 83 million pair of box-calf shoes.

Prior to the end of 1985, through an expansion in the number of technological lines, USSR Minlegprom /Ministry of the Light Industry/ expects to increase the production of childrens' footwear by 8 million pair. For its part, Minvestorg /Ministry of Foreign Trade/ will ensure an increase of 2 million pair. This year, an additional task was established for USSR Minlegprom -- the production of 10 million pairs of shoes for children. As a result, 19 million more pairs will appear on the shelves than last year."

A selection of letters sent in by readers having to do with the quality of childrens' footwear was shown to the Deputy Minister of the USSR Ministry of Light Industry A. Biryukov.

"I purchased size 12.5 boots of the Tbilisi Factory," wrote T. Bryzgalova from the city of Gagra "and my child was unable to walk in them. They were sewn together using crude leather." There were many such letters. The people complain regarding the color patterns and the lack of style. And there were other complaints. As is known, in February of this year the CPSU Central committee examined the question concerning more complete satisfaction of the population's requirements for footwear. What has already been accomplished in this regard?

"A strange situation has developed in the case of childrens' footwear. In 1983 the production plan was even lowered owing to a surplus of such footwear. Nor was there any discussion concerning a shortage during last year's wholesale fair. Nevertheless, complaints have been received regarding shortages in footwear. This is associated with the fact that the order was formulated without taking into account the changes in assortment for individual age groups. Additional tasks were established for 1985: the plans called for the production of footwear to be increased by 15 million pairs.

We must now, based upon bitter experience, form an assortment at the Inter-Republic Wholesale Fair for the Sale of Footwear for 1986 that conforms strictly to the trade orders -- in accordance with requests prepared while taking into account the age groups of the children.

There is also the matter of quality. We are still receiving many complaints. A standard for childrens' footwear has been developed and is being introduced into the branch for the very first time. In particular, it calls for the use of artificial materials for the upper and lower parts of footwear. This will improve the quality and the outer appearance of the products.

An order was issued in February on measures for improving the modeling and for reducing the periods of time required for introducing a new assortment of footwear into production. In accordance with this order, an expansion has taken place in the rights and the modeling organizations and footwear enterprises must now display greater responsibility for the assortment and quality of the footwear.

A survey was carried out on more than 1,200 models of childrens' footwear produced by 54 enterprises throughout the country. The Moscow Zarya Production Footwear Association, the Leningrad Skorokhod and also the Voroshilovgrad, Chelyabinsk and a number of other production footwear associations were singled out for having developed basically new types of footwear.

However, 44 footwear models were turned down for being either obsolete or lacking in style. A limited assortment was presented by the Stavropol Kavkaz Footwear Association, the Kungur and Kharkov associations, Baku Factory No. 2 and the Semipalatinsk Factory.

At the present time, the situation is such that many enterprises require technical re-equipping. The modernization and construction of 84 footwear enterprises will be carried out in the near future, with a large proportion of the assortment at these installations consisting of footwear for children.

Collaboration with other socialist countries will be of assistance in diversifying this assortment and raising the quality of the products. Their leading experience has been used in the technical re-equipping of the Moscow factories imeni Kapranov and Zarya Svobody, the Leningrad Skorokhod and the Voroshilovgrad Footwear Association. USSR Minlegprom has also concluded arrangements with Italian firms for the construction of factories for the production of childrens' footwear which will be in keeping with the best world standards.

We held a discussion with the USSR Deputy Minister for Public Health P. Burgasov.

"There is yet another aspect to this problem. V. Dubovitskaya in Fergana wrote in to the Editorial Board: 'My 14 year-old son wears size 43 shoe. It is not available in the childrens' stores. I buy adult shoes. But the doctors claim that the wearing of these shoes could cause harm to children. Yes and the price is quite high. What am I to do?'"

"I wish to state immediately that I found my self in a similar situation: my 13 year-old grandson needed a size 44 shoe. I am fully in agreement with the author of the letter: a solution must be found for this problem. Several million children ranging in age from 13 to 14 years are forced to wear shoes intended for adults. To a certain degree, this problem has been created by the parents. The adults are not against purchasing goods for themselves in the

childrens' stores: here they are cheaper and so why not buy them? Thus it turns out that the adults purchase their items in "Childrens' World" and the children -- at "Bogatyr."

"But it is hardly a matter of an adult entering a store."

"This is true. At times, we medical personnel are very conservative in resolving such problems -- under the plausible pretext of protecting the health of children. But we must also advance scientific-technical progress in the area of new materials and technologies. We cannot rely only upon natural leather as we did in olden times. The entire world is converting over to the the production of childrens' footwear based upon the use of polymer materials -- light, flexible, durable and waterproof.

For example, new materials for the bottoms of shoes -- porous rubber for the Malysh and Depora grades -- have been tested successfully at the Institute of Hygiene for Child and Juvenile Labor. The USSR Minzdrav /Ministry of Health/ has also authorized the use in pre-school footwear of certain types of tissue and synthetic materials. Their use will improve considerably the outer appearance of the footwear and lower the weight and cost.

New models of childrens' footwear, mainly sporting goods involving use of the pouring method of strengthening, are being introduced into industrial production at the present time. This very progressive method will bring about a considerable improvement in the quality of the products. And this will be very good in light of what we have just been discussing. And it would still be better if overgrown children would purchase their shoes at "Childrens' World."

The interview with the leaders of three ministries did not furnish a clear answer to the question: when finally will there cease to be a shortage of childrens' footwear in all areas? It appears as though today they have no qualms about shifting blame from one to another. Is it necessary to state that many customers in various areas throughout the country cannot accept such a position on the part of leading branch workers. Moreover, it should be added that following the discussion there still remained a number of acute problems, such as raw materials, equipment, chemistry and deliveries -- surely there is enough work here for the respective ministries and departments. However, it is believed that successful work in this regard is first of all dependent upon how well the leading ministry -- USSR Minlegprom -- is able, within a short period of time, to change the situation with regard to the production of childrens' footwear. And then it will be easier to reply to the question posed by the grandmothers and mothers: how to put shoes on Masha, Vanya and Natasha?

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CSO: 1827/21

USSR PRICING OFFICIAL DISCUSSES QUALITY, VALUE OF GOODS

Moscow KOMMERCHESKIY VESTNIK in Russian No 17, Sep 85 pp 2-5

[Article by Candidate of Economic Sciences Yu. V. Zhukov, Deputy Chairman of the USSR State Committee on Prices: "The Quality of an Article and Its Price"]

[Text] The serious changes in the production and marketing of consumer goods that have taken place in recent years and the saturation of the market with goods have brought the question of improving their quality to the foreground. In consumer demand, decisive importance is being attached to appearance, finishing and other aesthetic characteristics of goods. In order to satisfy the population's requirements, industry needs to be radically restructured to react in a more flexible and timely fashion to changes in the conditions of trade and demand.

Pointing out the importance of the problem of improving the quality of consumer goods, M. S. Gorbachev, general secretary of the CPSU Central Committee, emphasized in a speech to a meeting of the Leningrad Party Organization's aktiv that if the problems of quality are not solved, the problem of supplying the population with goods will not be solved either.

The increased importance of consumer-goods quality also places serious demands on price formation. The price system should create the sort of conditions for enterprises whereby they would have an economic stake in producing a wide assortment of goods, updating them as fast as possible, terminating the production of goods that have ceased to enjoy consumer demand, and replacing them with new, high-quality articles. New items that meet consumers' requirements and enjoy increased demand should be more profitable for enterprises than the ones being produced. The accomplishment of this task presupposes, first and foremost, ensuring a differentiation of prices in accordance with product quality, with the understanding that quality entails not just soundness and physical and mechanical specifications but also appearance, finishing and originality of execution.

As is known, such differentiation of the prices for nonfood goods has been achieved in recent years by a procedure whereby, along with permanent prices (set for an unlimited time period), temporary price markups are also set that remain in effect for a limited period for the most successful items that meet

the requirements of fashion. And industrial enterprises, in agreement with trade, set contract prices for lots of especially fashionable goods.

Of the total volume of light-industry output produced in 1984, the bulk (74 percent) was sold at permanent prices, 25 percent--at temporary prices and one percent--at contract prices. In other branches the share of improved-quality goods was generally much smaller. The differentiation of prices makes it possible to take the requirements of fashion into account and ensure that the producers of goods have an economic interest in increasing the output of up-to-date articles, since 55 percent of the price markup remains at the enterprises' disposal, of which 15 percent is used to pay bonuses. Temporary markups in permanent prices are differentiated by level.

The sole criterion that determines the amount of a temporary markup in permanent prices is the level of quality and the extent to which it is in keeping with present-day technical requirements and fashion.

The magnitude of the additional outlays that an enterprise has required in order to achieve this quality is not taken into account in this process. Such figures are not even presented either to the artistic and technical council, which issues the recommendation on the establishment of temporary prices and the amount of the markup, or to the price-formation agencies that set these markups. A high level of outlays cannot serve as grounds for the establishment of a high temporary markup if these outlays have not provided for a corresponding level of product quality. And conversely, if the quality of articles is high, the markup may be substantial even though the outlays are relatively small. This approach to the establishment of temporary markups orients enterprises toward the achievement of high product quality with the lowest possible outlays. Temporary markups are presently set at from 5 to 50 percent or higher. However, for the bulk of new improved-quality goods they do not exceed 10 to 15 percent. Industry still produces very few articles that are distinguished by especially high quality and for which higher temporary price markups may be established. Thus, in 1984 the share of light-industry products for adults for which temporary price markups of 10 percent or less were set constituted two-thirds of all established markups.

Temporary prices for new and original articles are established for the limited period of 18 months. Upon its expiration they are canceled and permanent prices are put into effect. Thus, it proves more profitable for an enterprise to produce high-quality new articles than to produce obsolete products. The cancellation of temporary prices is carried out twice a year. For example, as of 8 April 1985 temporary prices for improved-quality articles that had been set prior to 1 October 1983 were canceled. When this was done the temporary prices for some articles, for which trade organizations confirmed heightened demand, were maintained. When fashion changes and articles become outmoded, temporary prices are canceled ahead of schedule.

Thus, the existing price system for nonfood goods provides for an active influence on the production and marketing of new articles. However, the effectiveness of its operation depends to a large extent on how well-substantiated the appraisal of new articles' quality is and how it is reflected in price.

The practice of applying temporary prices for improved-quality goods has frequently been criticized for the instances that occur in which temporary price markups are set for goods that do not differ substantially in quality from goods that are already in production. At present the decision to classify new articles as goods of improved quality is made by a majority of the artistic and technical council.

It is necessary to note, however, that certain artistic and technical councils that bear responsibility for the quality of new articles display liberalism and do not always exhibit the proper exactingness toward new items. In such instances the price-formation agencies deny them the establishment of temporary prices.

An important role in ensuring the necessary exactingness toward the quality of new articles for which the establishment of temporary prices is recommended belongs to representatives of the trade agencies, without whose consent such a decision cannot take effect.

The task is this: by improving the work of the artistic and technical councils, strengthening their staffs, and including qualified and responsible representatives of trade on them, to close all loopholes for people who attempt to obtain unwarranted temporary markups. In our view it would be a good idea to also include representatives of the standards-setting agencies on these councils with the right of a deciding vote.

In order to improve the substantiation of decisions to classify new articles as improved-quality goods and improve the differentiation of temporary markups, it is necessary to improve methods work. In 1983 the USSR State Committee on Prices, together with the USSR Ministry of Light Industry, confirmed appropriate instructions for the most important groups of goods; these instructions provide a point system for evaluating the newness of articles and stipulate that the amount of temporary price markups is to be set in accordance with the number of points an article receives. Experience in applying these rules has shown that they contribute, to a certain extent, to a more complete and accurate consideration of all the marks of quality.

As of 1 January 1985 the certification of light-industry products was abolished. The evaluation of light industry's work in the production of improved-quality goods requires further improvement. So far normative and technical documentation contains no requirements for improved-quality goods. Moreover, in practice its existing 40-point system for evaluating product quality proved unusable for the purposes of differentiating temporary price markups when they are set, since the range of difference in the evaluation of ordinary articles is six to eight points, while the difference for articles in the higher quality category is only two points. At present, the USSR State Committee for Standards, the USSR Ministry of Light Industry, the USSR Ministry of Trade and the USSR State Committee on Prices are preparing a new system for evaluating improved-quality goods that will subsequently be included in the normative and technical documentation.

In the past two years serious changes have been made in the procedures for establishing temporary prices; their aim is to improve the timeliness with which these prices are set. For example, for all light-industry products such authority has been given to republic agencies. In addition, more than 120 light-industry production associations (or enterprises) that have consistently produced high-quality products have also been given the authority to set their own temporary prices (with markups of up to 30 percent).

An analysis of experience in the establishment of temporary prices by enterprises has shown that the authority granted them permits them to put new articles into production in a more timely fashion. However, existing procedures for agreeing on the assortment once a year at the wholesale trade fair for enterprises that supply products to different regions make the ongoing replacement of models difficult. From the moment that new articles are approved in the artistic and technical council until they are produced with prices set, from six to 15 months or even more pass. During this time many articles lose their newness. It is necessary to find ways to rapidly introduce new models either by making adjustments in the ordered assortment by six-month periods or by allowing a certain percentage of new articles to be produced in place of articles that have been in production for more than a year without obtaining the consent of all purchasers.

Checkups have also shown that not all enterprises exhibit a high degree of exactingness with regard to the quality of new goods. The USSR State Committee on Prices was forced to cancel prices ahead of time for a group of articles. The trade agencies should insist on higher standards when new articles are examined in the council and when they are accepted for sale.

The practice of using temporary prices has shown that in setting them it is necessary to take the social significance of goods into account to a greater extent. In light of this, in 1985 the USSR State Committee on Prices canceled the establishment of temporary retail prices for goods for newborns and for certain basic articles for infants, and it limited five-percent markups for garments and footwear. Other goods for infants and preschool-age children were restricted to 18 months.

The procedures for determining prices for children's goods that are made of improved-quality fabric need to be improved. Restrictions on the amounts of temporary price markups for children's garments will achieve their purpose if the temporary markup in the price of the fabric is not taken into account in their permanent price.

It is also necessary to expand enterprises' authority in the use of money obtained from temporary price markups for improved-quality goods. In particular, this refers to their authority to use it to provide incentives in the campaign for the quality of accessories and materials. It is also important to restore procedures whereby the output of improved-quality goods would be included in plan indices on the basis of permanent prices and in reporting indices on the basis of temporary prices. This reduces enterprises' apprehension that it will be harder to fulfill their plans if they increase the production of improved-quality goods.

Also operating in the direction of enhancing the incentive role of prices and improving the timeliness with which they are set are contractual prices for the first experimental lots of nonfood goods, especially fashionable articles; these prices are set on the basis of agreements between the production associations or manufacturing enterprises and trade organizations.

In 1983 the USSR State Committee on Prices adopted additional measures aimed at expanding the production of goods on the basis of contractual prices. In particular, the maximum production volumes for goods based on contractual prices were increased, and for such items as especially fashionable garments made of wool and silk fabrics (other than staple fabrics) for adults, crystal and china articles, wrist watches, furniture sets and molding, restrictions on production volumes were lifted and are now determined only on the basis of agreement by the appropriate industrial enterprises and trade.

In order to provide incentives for the campaign for quality, the setting of contractual prices has been authorized for the first experimental lots of accessories, ribbon, lace and other materials that are sold by manufacturing enterprises to other enterprises for the production of especially fashionable articles and goods of improved quality.

Experience in using contractual prices has shown that it is necessary to make certain adjustments in the existing regulations. In particular, on the analogy of what has been done for improved-quality goods, restrictions should be introduced in the level of contractual prices for children's goods, and the amount of the turnover tax that is included in the contractual price for cultural and household goods should be determined more precisely. There is a need to clarify the use in trade of money that is obtained from a higher trade markdown and to provide the possibility of using this money for advertisement, for reducing the price of remaining goods that were obtained at contractual prices and have not been sold by the specified time, and also for paying bonuses.

Attention also ought to be given to proposals that price levels be set by the price-formation agencies for fundamentally new goods (for example, personal computers) and new generations of goods.

Light-industry enterprises have been given the authority to set retail prices for the first experimental lots of goods in the sum of up to 100,000 rubles in retail prices, and the republic Ministry of Light Industry has been given the authority to set such prices in the sum of up to 500,000 rubles. This procedure is aimed at improving the timeliness with which prices are set for lots of new goods in order that the demand for them might be studied and their introduction into production sped up. It should be noted that this is a very great authority. For many low-priced goods (for example, stockings and socks and most children's goods) the size of lots produced at prices set by enterprises can be close to the usual yearly volumes of such products. Hence, the enterprises and the ministries should use this authority intelligently and should check on the demand for new goods when maintaining the existing level of retail prices. However, there have already been instances in which ministries, acting on the basis of narrowly departmental interests, have set

retail prices for new goods at a lower level than those that have been set for analogous goods produced by the enterprises of other republics. And this must not be permitted.

Increasing the share of high-quality articles in total output results in a certain increase in the average retail prices of a group of products. This increase is a natural and legitimate process. It is warranted to the extent that structural changes in production (changes in the percentage of articles of different price levels in overall output) correspond to consumer demand and do not result in curtailing the production of or "washing out" less expensive articles that are in constant demand. Unfortunately, this is not always ensured, and there have been complaints from consumers about the lack of inexpensive goods in stores. In a number of cases this occurs with the connivance of trade. For example, in accordance with a state standard, large sizes of mechanically manufactured shoes for which relatively low retail prices have been set are supposed to be produced for teenagers who wear large sizes of shoes. However, such shoes are frequently not available in the stores and departments that sell footwear for teenagers, and more expensive, fashionable styles are sold.

In our view, the establishment of an assortment minimum of inexpensive goods that must be kept available in the stores would help eradicate such procedures. If trade enterprises are held responsible for the availability of articles included in the assortment minimum, their orders for such articles will be better substantiated.

In order to ensure the fastest possible updating of articles, it is important to increase the timeliness with which not just temporary prices but also permanent prices are set by introducing them, especially for groups of products that are highly susceptible to the influence of fashion, on the basis of normative-parameter price lists that differ fundamentally from previous price lists. The basic difference between them consists in the use of various features of articles in accordance with which the setting of prices is regulated. Previously one such feature was the aggregate description of an article's design and external appearance. Naturally, this only indirectly reflected the cost of producing it. Sometimes the same price was set for models that used different amounts of materials but had similar external features. Consequently, there came to be "profitable" and "unprofitable" models. For example, with the advent of the "mini" fashion, which began at the end of the 1960s, the new trends were advantageous to enterprises, since the prices remained the same. But later enterprises did their utmost to resist the fashion that required increasing the length of garments. In addition, the development of new models with features of external appearance different from those indicated on the price list required the setting of new prices and the constant "amendment" of the price list, which not only held up the production of new articles but made the use of the price list increasingly difficult.

On the normative-parameter price lists, instead of the description of an article's external appearance, quantitatively measurable indices are used as the parameters that determine the setting of price; these indices include the amount of materials used (the area of the pattern, plus wastage as figured

on the basis of average branch norms), their cost, the labor-intensiveness of manufacture (based on a point system of evaluation) and other factors. Price tables have been worked out for articles ranging from the very least to the greatest use of materials for all types of fabrics. On the basis of such price lists, enterprises can set the retail price of any article without appealing to the price-formation agencies.

No less important to the production of new articles in accordance with consumer demand is the fact that the normative-parameter price lists, by practically eliminating the division of articles (or models) into profitable and unprofitable and ensuring approximately equal profitability for all, have removed the obstacles to shifting to fashionable new goods. On the basis of such price lists, it is possible, without appealing to the price-formation agencies, to determine retail prices for new articles that are made of combinations of materials differing in cost and that use these materials in different proportions; this is exceptionally important in today's conditions. This was impossible to do on the basis of the old price lists.

In the past 12 years normative-parameter price lists have been instituted for outer garments, outer knitwear, furs, garments made of natural leather, and leather articles and accessories. At present, enterprises determine the prices for almost half of all of light industry's finished products on the basis of these price lists. Such a price list is being prepared for shirts, linen and certain other groups of goods.

The use of these price lists is somewhat more complicated in trade. In this connection it is necessary to take up the matter of the multiplicity of retail prices for garments and, in particular, men's suits, which was discussed in the article "Unwarranted Complexities," published in KOMMERCHESKIY VESTNIK No 4, 1985.

Retail prices for garments, including suits, directly affect an enterprise's economic results. In resolving the question of price differentiation--i.e., determining in which cases identical prices should be set for groups of articles that differ in manufacturing cost because of the differing costs of the fabrics and materials used, the amounts of them used, the complexity of manufacture and other factors--it is necessary to take into account the fact that the more aggregated such groups are, the more articles will become "unprofitable" to manufacture.

With a view to the production of a wide assortment of articles ordered by trade, prices should reflect the outlays for the manufacture of each specific style with sufficient accuracy. Existing price lists provide for a certain aggregation of prices--in the case of garments, one retail price is set for those that are made of different fabrics that vary in price within limits of 3.5 to 7 percent. For example, one and the same price applies to suits made of fabrics costing from 15 rubles 10 kopecks to 15 rubles 79 kopecks, with all other conditions being equal.

In accordance with fabric usage from 2.70 to 4.82 square meters, all styles of suits are combined into 10 groups on the price list. One group, for

example, covers suits that use from 3.21 to 3.39 square meters of fabric, i.e., for which there is a difference of 5.5 percent in fabric usage. Consequently, profitability may be 8 percent of unit-cost for one model and 13.5 percent of unit-cost for another. In addition to the specific features of each style, fabric usage for articles of a given style depends on sizes.

In accordance with existing Branch Standard 17-325-74, "Garments. Standard Male Figures," provision is made for the production of men's suits with a chest measurement of 88 to 128 cm and a length of from 158 to 188 cm. In this connection the difference in fabric usage for minimum and maximum widths and lengths (158/88 and 188/128) comes to about 50 percent (from 3.01 to 4.52 square meters). On the price list the retail prices for suits of the same model are classified in seven groups depending on width and length, with each group including articles of differing lengths and widths that require a similar (within limits of plus or minus three percent) usage of outer material.

As a result of this structure of the price list, on the one hand there is a fairly accurate reflection in prices of the differences in enterprises' manufacturing costs, and on the other, provision is made for a certain aggregation of prices for groups of articles with similar manufacturing cost levels.

Increasing intervals in the usage or cost of fabrics for which one and the same price applies to an article may negatively affect the assortment of goods produced, especially since industry does not produce enough articles in large sizes even now.

Sometimes it is pointed out that for imported suits there are fewer different prices based on differences in width and length. This is attributable to the fact that the differentiation in the prices of imported suits does not affect the assortment of the imported articles that are manufactured and purchased.

I would also like to raise the following question. In order to enhance the economic accountability of trade for correctly selecting goods and eliminating the possibility that goods of poor quality will appear in the stores, it is necessary to change the procedures for compensating for losses that stem from discounting goods and selling them at clearance. At present these losses are compensated for with money from the discount fund, which is formed through deductions from profits amounting to 0.6 percent (until 1984--0.25 percent) of trade turnover. In other words, this is money that is allocated from the budget and cannot be used for any other purposes, and the savings or expenditure of it has no effect whatsoever on the economic indices of trade enterprises' performance or on their material incentives. This arrangement, on the one hand, weakens the campaign for high-quality goods and, on the other, reduces the incentive to sell goods for which the demand is weak in other regions of the country.

This is a serious problem. Leftover stocks of slow-moving and stale goods are growing. The percentage of such stocks varies from republic to republic. It seems necessary to act as fast as possible to discount slow-moving and

stale goods, the bulk of which were produced prior to 1983, since with every passing day they grow more and more outmoded and obsolete, and increasingly large markdowns are required to sell them. In the future, provision should be made to discount goods and sell them at clearance no later than the expiration of an established normative period for their sale, and two-thirds of the resulting losses should be charged to the discount fund and one-third to the results of specific trade enterprises' economic performance. When the discount fund has been completely used up and remainders of goods still exist after the normative sale period has passed, they should be sold at a discount at the expense of the trade enterprise; conversely, in the absence of "stale" goods, a certain percentage of any savings in the discount fund could be used to pay bonuses to trade employees. This would not only make trade impose higher standards with regard to the quality of goods delivered by industry but would also stimulate an intelligent redistribution of goods among regions of the country and increase the degree to which clearance sales are economically justified. The need for such sales would be determined by comparing the losses from storage and a possible change in demand in the next season to the losses from reducing prices in a clearance sale.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### ANALYSIS OF UKSSR FOOD INDUSTRY EXPERIMENT RESULTS

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[Article by V. G. Tychina, deputy chief of the Administration for the Financing of Light and Food Industry of the Ukrainian Ministry of Finances, Candidate of Economic Sciences L. D. Buryak and Candidate of Economic Sciences A. N. Pavlikovskiy: "The Ukrainian Ministry of Food Industry Under the Conditions of the Economic Experiment"]

[Excerpts] In recent years, the enterprises of the Ukrainian food industry have carried out a number of organizational and technical measures aimed at improving production efficiency, improving management and developing and strengthening cost accounting. However, due to the one-sided approach to carrying out the designated measures, the imbalance in the production plans and the raw material resources (particularly in the sugar and oil-fat sectors), numerous adjustments in the plan quotas and shortcomings in the organization of production and labor, individual enterprises have not fulfilled the product sales plans considering contractual delivery obligations, they have exceeded planned product costs and have allowed unproductive expenditures and have made inefficient use of working capital. This has impeded payments to the budget, banks and suppliers. The system of measures provided by the Decree of the CPSU Central Committee and the USSR Council of Ministers of 14 July 1983 is aimed at eliminating these negative trends, at further improving the management mechanism for the republic food industry and at developing cost accounting. These measures significantly broaden the rights of the production associations (enterprises) in planning and economic activities and strengthen their responsibility for the end results of the work.

The Ukrainian Ministry of Food Industry [Minpishcheprom] has been operating under the conditions of the economic experiment since 1 January 1984. An analysis of the operations of its enterprises shows that the introduction of the fulfillment of quotas for the volume of product sales considering the concluded contracts as the main evaluation indicator, the broadening of rights in using the production development funds for technical reequipping and the saving of wages to set surpayments of salaries and wage rates, the formation of a financial reserve and the introduction of a normative method for profit distribution in accord with the beneficial crediting procedure and the fuller balancing of the production plans with the material resources have helped to

ensure the covering of costs, to raise profitability and increase the end results of economic activities.

The 1984 commodity product plan was fulfilled by 102.2 percent as a whole for the ministry, by 102.1 percent for the volume of sold product, by 102.8 percent for labor productivity and by 109.3 percent for profits; the plan for budget payments was fulfilled. The increase in product output over the corresponding period of the previous year was 1 percent, labor productivity rose by 1.8 percent and provided the entire increase in product output.

For the first time over the last 7 years, the ministry achieved a 100-percent fulfillment of the delivery plan in accord with the concluded contracts. Expenditures per ruble of commodity product in 1984 were 89.19 kopecks with a plan of 89.72 kopecks, while the savings from the reduction in product costs was 56.6 million rubles, or 0.58 percent. Over the year, 1,182,500,000 rubles of profit were earned and this was 100.6 million rubles more than envisaged in the plan.

There was a significant increase in the output of high-quality products. In 1984, its proportional amount equaled 15.3 percent, or 1.8 point above the plan. The trade organizations received an additional 226 million rubles of products. The ministry achieved a savings in the wage fund totaling 21.5 million rubles considering the payment of surpayments to the worker wage rates and additional payments for combining jobs as well as surpayments for the salaries of the highly skilled engineers, technicians and white collar personnel.

In 1984, the number of enterprises which did not fulfill the profit plan declined by 6-fold (from 63 to 10) in comparison with the previous year, while the financial status of the production associations and enterprises improved. Arrears on loans to the USSR Gosbank and suppliers declined by 2-fold and because of this losses of financial resources in the form of the payment of penalties and increased credit interest on overdue USSR Gosbank loans declined from 14.5 million rubles to 4.8 million rubles.

In achieving high end results for the sector's operations, a positive role has been played by the current economic incentive system. The economic incentive funds over the 9 months of 1984 surpassed the level of the corresponding period of 1983 and the planned amounts. For example, the material incentive fund was figured for the 9 months of 1984 at 50.9 million rubles and this was 25 percent more than the plan and here 2.5 million rubles went to the fund for the overfulfillment of the profit plan (6.1 percent of the plan), 0.8 million rubles (1.8 percent) for the fulfillment of the plan according to the proportional amount of superior quality products, 4.2 million rubles (10.4 percent) for fulfilling the product sales plan considering delivery obligations and 2.1 million rubles (5.3 percent) for the level of the proportional amount of superior quality products (according to a scale).

An essential factor in the development of initiative and economic independence at the enterprises has been the granting of the right to them to sell products in the event of the nonselection by consumers within a month using the allocated stocks to other trade organizations at their discretion with the

subsequent addition of this product to the fulfillment of the delivery plan. Over the fourth quarter of 1983 and in the 11 months of 1984, the sector's enterprises independently sold some 170.2 million rubles (in retail prices) of products not promptly selected by the recipients.

Under the new conditions the production associations (enterprises) have significantly broader opportunities in carrying out technical reequipping and reconstruction. They have been given the right to spend amortization deductions earmarked for major overhauls on the technical reequipping of fixed capital above the planned limits of state capital investments. In carrying out the technical reequipping, the role of the production development fund has been increased. The enterprises can now accumulate the money in this fund and use it at their discretion. This money is not liable to confiscation and redistribution. With a shortage of the production development fund, the ministry is granted a credit by the USSR Stroybank (18.3 million rubles). This makes it possible not to delay in carrying out the planned measures until the accumulating of sufficient amounts but rather carry them out quickly.

Practice shows an increased interest on the part of the enterprises in the technical reequipping of production. The work of reconstruction and technical reequipping has been carried out by the ministry construction organizations using the direct labor method at 308 projects. The plan for noncentralized capital investments during the year was fulfilled by 100.5 percent.

The operating results of the Ukrainian Minpishcheprom enterprises show that a number of measures to strengthen the responsibility and interest of the collectives have told positively on improving production efficiency along with providing aid to them in supply, the formulating of the plans and other questions. At the same time, under the new conditions shortcomings and unused reserves still exist for the enterprises and associations. At some of them the organizational and technical measures introduced have been ineffective and as a result of this there has been a lag in fulfilling the assumed socialist obligations. In 1984, six enterprises exceeded the planned product costs by 1.8 million rubles and ten did not fulfill the profit plan (2.1 percent of the total number for an amount of 1.8 million rubles). Individual enterprises did not fully utilize their existing possibilities for additional product output and for reducing the product costs by the more economic and rational expenditure of material resources and reducing unproductive expenditures.

Individual provisions of the experiment require clarification and improvement. An analysis of the operations of the Ukrainian Minpishcheprom enterprises indicates that in 1984, the plans for the production and sales of products were overfulfilled, respectively, by 2.2 and 2.1 percent. In our opinion, this was aided by the current material incentive system for 100-percent fulfillment of the delivery plan in accord with the concluded contracts. It turns out that the enterprises endeavor to fulfill this plan but are not fully interested in its overfulfillment or in disclosing internal production reserves. On the other hand, the accounting of delivery plan fulfillment in accord with concluded contracts for the dispatch of products is not completely successful. Certainly the process of shipping does not guarantee the receipt of the money on the supplier's account. Of course, for the supplier such a payment for estimating the fulfillment of the delivery plan is advantageous,

since it also is not concerned by the refusals of the consumer to accept the dispatched product for any reasons (low quality, incompleteness, violation of the assortment and so forth), since the supplier pays in to the material incentive fund for the fulfillment of the delivery plan. For this reason, in the aim of increasing the interest of the enterprise collectives in adopting intense plans and concluding delivery contracts for the year being planned not below the 1983 sales volume, it is essential to encourage an increase in products against the base year. For example, to establish for each percentage of planned increase of product sales in accord with the concluded contracts, in comparison with the base year, a surcharge amounting to 5 percent of the FMP [material incentive fund] according to the plan. And for the nonfulfillment of the delivery plan, the current norm would be kept (3 percent for each percentage of the nonfulfillment of the delivery plan).

In improving the normative method of profit distribution a positive role has been played by the procedure introduced on 1 January 1985 for the distributing of above-planned profit. In accord with this the budget receives 50 percent of this profit with the overfulfillment of the profit plan by 3 percent and 75 percent of the profit comprising the overfulfillment of the plan by more than 3 percent. It must be pointed out that the rate for distributing above-planned profit should be differentiated for the enterprises in the various sectors, since the use of a uniform rate does not provide the enterprises (particularly with a high rate of deductions from planned profit into the budget) with an amount of remaining profit which is sufficient to make the additional deductions into the economic incentive funds and cover other additional expenditures. In the first half of 1984, for example, of the 41.5 million rubles of above-planned profit, some 20.6 million rubles, or 49.7 percent, were paid to the budget. In paying to the budget the above-planned profit following the procedure introduced on 1 January 1985, some 27.4 million rubles would be paid from the above-planned profit to the budget, or 66 percent. Here it must be pointed out that even with an average rate of 49.7 percent, individual enterprises could not make deductions into the economic incentive funds due to the lack of above-planned profit left at their disposal.

Calculations show that for covering the additional deductions into the economic incentive funds and creating a financial reserve, with the overfulfillment of the profit plan up to 3 percent, as an average for the Ukrainian Minpishcheprom, it would be advisable to leave around 75 percent of the above-planned profit available to the enterprises and in overfulfilling the profit plan by more than 3 percent, up to 65 percent of this profit. Calculations confirm that with the new procedure, the enterprises which fulfill the profit plan by 105 percent would have left approximately 40 percent of the above-planned profit. As a result of this, enterprises from 6 of the 15 republic industrial associations as well as of the local food industry could not fully make the additional deductions into the economic incentive funds and establish a financial reserve.

Under the conditions of the experiment, the maintaining of another payment, the capital payment, along with the deductions from profit into the budget does not create good incentives for increasing the effective use of the fixed productive capital and normed working capital. Due to the fact that in the

process of fulfilling the plan changes are made in its physical and cost indicators due to objective factors, while the capital payment remains fixed, the enterprises develop financial difficulties and a shortage of working capital ensues. It would be advisable, in our view, to establish a uniform procedure of profit payments to the budget for all the ministry enterprises, establishing a deduction rate from the balance sheet profit minus the specific-purpose profit. But the payment for productive capital must be collected only for above-norm material commodities not credited by the bank and equipment not installed on time at increased rates minus that portion of the profit which remains at the disposal of the enterprises.

Under the conditions of the experiment, the role and importance of the indicator of product sales in accord with the concluded contracts have risen. However, due to the disinterest of the trade organizations in selecting individual types of products and the concluding of contracts in an excessively consolidated assortment, the incentive effect of this indicator has been somewhat reduced. Undoubtedly, the degree of satisfying customer demand should underly an assessment of the work and material incentive for the supplier enterprises. The trade organizations can do a great deal in resolving this question. Since commodity turnover in cost terms is the basic evaluation and fund-forming indicator for trade (in essence, this is the same "gross" which previously was the evaluation and fund-forming indicator in industry), the trade organizations at times do not show forthrightness in assessing the fulfillment of the delivery plan by the industrial enterprises in the required product range. The concluding of contracts for delivery by a group product range provides an opportunity for the industrial enterprises to manipulate the assortment of the product to be sold, to increase the output of advantageous products by reducing other types, including those in demand by the purchasers.

The employing of the group assortment as a criterion for assessing the fulfillment of the delivery plan would substantially facilitate the fulfilling of this indicator. At the same time, the consumers would not receive many types of products. For example, the sugar sector enterprises in the first half of 1984 failed to supply trade with 25,000 tons of refined lump sugar while the Simferopol Candy Factory failed to deliver over this period 29 tons of fruitdrop caramel and 60 tons of caramel with sweet and refreshing filling; at the same time, some 630 tons of candy products having limited demand were delivered above the amount ordered by trade. The current procedure for assessing the fulfillment of the delivery plan by group assortment made it possible for the factory to meet its quota.

The right provided by the experiment of forming a financial reserve from the above-planned profit left at the disposal of the enterprises and amounting to up to 5 percent of the norm for own working capital has not "gone into action" with sufficient effectiveness. As practice shows, the enterprises which have at their disposal an undistributed portion of profit are not always willing to establish a financial reserve, since its utilization is restricted to a narrow range of expenditures, including: for replenishing a lack of own working capital and repaying bank loans for this purpose, the covering of above-planned losses of the housing and utility system with a shortage of profit available, and covering overexpenditures for major overhauls. This is why it

is advisable to broaden the opportunity of sending money in the financial reserve, in particular, to increase the norm of own working capital and for covering temporary financial needs.

Among individual enterprises which overfulfill the profit plan (particularly those having a low level of the profit deduction rate into the budget), after the planned and additional expenditures and the establishing of a full financial reserve (5 percent of the norm of own working capital), an undistributed amount of profit remains. Considering this, it would make sense to allow the Ukrainian Minpishcheprom and its republic industrial associations to centralize such amounts with the subsequent remitting of them to enterprises which experience a shortage of profit available to them in order to make additional deductions into the incentive funds for the overfulfillment of the fund-forming indicators.

As a whole for the ministry over the 9 months of 1984, the financial reserve for the departmental enterprises was 10.3 million rubles. Over this period only 376,000 rubles were actually used, or around 4 percent of the total amount of the reserve. The designated amount was used to make up a shortage of own working capital and retire loans granted for this purpose.

Additional elaboration must be provided for a number of questions related to the forming and use of the wage fund under the conditions of the experiment and in particular the question of setting the planned wage fund. In accord with the current procedure, this is formed on the basis of the wage fund of the year preceding the one being planned (considering the unproductive wage expenditures) and is increased during the year being planned according to rates depending upon the increase in the production volume. From our viewpoint, in setting the wage fund for the year being planned, the amount of the wage fund of the base year should be "purged" of the unproductive expenditures permitted by the fault of the enterprise. The procedure for setting the ratio for the growth rates of labor productivity and wages also requires adjustment. The reduced purchases, in comparison with 1983, and the deterioration in the quality of the sugar beets as well as the underprocurement of sunflower seed in 1984 brought about a reduction in the production volume for the sugar and oil-fat sectors and ultimately as a whole for the ministry caused an outstripping of the wage growth rate over the growth rate of labor productivity. During the 11 months of 1984, the growth of calculated average wages per 1 percent growth in labor productivity was 2.07 percent. Without counting the sugar and oil and fat sectors, the growth in average wages per 1 percent of growth in labor productivity was 0.59 percent.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### TV REPAIR SERVICE NETWORK IN RURAL BeSSR EXPANDED

Minsk SELSKAYA GAZETA in Russian 28 Sep 85 p 2

[Article by V. Vasilyev, director of the republic's production association, Belbytradiotekhnika [Belorussian consumer radio technology association]: "Television Being Repaired"]

[Text] The editors receive a great deal of mail from village workers of various regions within the republic with complaints about the workers of Belbytradiotekhnika RPO [Rayon Production Association]--in a number of cases the quality of repairs of radio and television equipment has been low, and frequently there are long delays in the carrying out of orders.

What kind of work is being done by the association to improve services for the village population? This is discussed in the article being published.

One would probably not find a village family today without a radio or a television set. There has also been a constant growth in the volume of services to the population as regards the repair of consumer electronic equipment. During the current five-year plan alone services almost doubled.

Each regional center has a radio-television atelier or stationary repair shop. At the present time 136 subdivisions and over 2,190 integrated reception points, which are located in kolkhoz and sovkhoz centers, accept and carry out orders for the repair of electronic equipment. They have at their disposal 66 mobile shops that are especially equipped for out-of-town services.

The quality of repairs--and this we understand clearly--depends to a large extent on the degree to which our network of subdivisions is equipped with the most modern measurement and diagnostic equipment for faulty radios or televisions. This is why special attention is being given to these problems.

The scientific-production association of Belbytradiotekhnika of BeSSR Minbyt [Ministry of Consumer Services to the Population] and its experimental-mechanical plant have organized the production of nonstandard equipment needed by repairmen. In order to improve the technical outfitting of travelling, or

as we usually call them, "line" radio repairmen, who either make house calls or work in village combined reception points, small-capacity and light diagnostics equipment for black and white and color televisions and special diagnostics heads have been developed and manufactured. Small standard workplaces for the travelling radio repairman have been developed to equip village KPP's [Combined Reception Points], and 740 such subdivisions have been equipped with these types of workplaces. Since 1980 the repair enterprises of our association have delivered over 5,000 units of nonstandard equipment. Since the start of the five-year plan about 1,480 domestic and foreign equipment units have been introduced.

A great deal has been done recently to improve the organization of services to the village population. With the transition of branch enterprises to operations within the framework of an economic experiment, orders for repairs have been accepted by regional ateliers and repair shops not only by phone but also through a network of combined reception points.

This type of work organization has allowed us, already today, to carry out most equipment repairs by means of house calls. With the development of road building and with the increased availability to our enterprises of the fleet of automobiles having a greater capacity for cross-country travel the proportion of repairs by means of house calls will exceed 95 percent, as is the case in the city.

Rush repairs as a form of services have become very popular among clients. The proportion of such repairs in the total number of pay repairs of televisions has surpassed 33 percent. With the goal of expanding this progressive form of services, 64 regional ateliers and repair shops have created "express services", which efficiently carry out repairs in homes as well as in subdivisions of the consumer service while the customer waits.

There has been still another innovation. There have appeared in villages radio repairmen-holders of two jobs from among kolkhoz and sovkhoz workers; these individuals fulfill repair orders of workers who live in the same village during their free time.

Full satisfaction of the village population's demand for repair services depends to a large extent on the effectiveness of the interrelations of our specialized enterprises and rayon organizations of consumer services. This year the evaluation of activities of combined reception points involving the collection of orders related to the repair of consumer electronic items has been made more precise; the material interest of receivers of orders in village KPP's has increased. Each such point has been given a specific plan for the collection of orders; a payment of 2 rubles for each repair order has been confirmed. Moreover, directors of rayon organizations of consumer services have been given the right to provide supplementary wages for KPP reception workers at the rate of 1 ruble for each order that is fulfilled on time.

It would seem that the advantages to the village population of such an organization of services are clear. First of all, repairs are carried out considerably faster and with greater quality. However, it is not in all

rayons of the republic that directors of repair enterprises and KBO's [Personal Services Combines] act in mutual understanding. Contractual obligations between these services are not adhered to in Dzerzhinskiy, Stolbtsovskiy, Rogachevskiy, Oktyabrskiy, Miorskiy, Korelichskiy and several other rayons. For example, in Shklovskiy Rayon 33 village KPP's collected only 20 television-repair orders during the month of June. It is understandable that the remaining clients turned to the rayon repairshop by telephone and did not remain without the attention of our specialists-repairmen. But meanwhile a great deal of time is lost in vain, and the time needed to repair an item is prolonged.

To a large degree the work of our enterprise and this means the servicing of the village population is affected by problems that we cannot solve through our own efforts. First and foremost, I wish to mention the serious shortcomings in material-technical supplies to the repair industry. Our main supplier is Minsk's Gorizont PO [Production Association]. But this year its workers have been constantly interrupting the delivery of spare parts for new-model televisions (Ts-255, Ts-257 and Ts-355). There is a special shortage of large integrated circuits, or so-called "microcircuits." During the second quarter, according to a coordinated schedule, we were to receive 2,370 units of such items. Fewer than half were delivered. The absence of parts does not permit us to carry out the population's orders on schedule.

Or here is another problem. Repair enterprises have at their disposal an insignificant number of automobiles having the capacity for cross-country trips--only 9 percent of the total. For this reason it is not always possible to quickly deliver a faulty article to a stationary repair shop from a remote area. The number of complaints about delays in repairs increases greatly during the spring and fall, when many country roads are completely impassable as a result of bad weather. A resident of the village of Salavye of Checherskiy Rayon, for example, complained about the time it took to take a television set to the repair shop and to then return it.

Incidentally, it is not the workers of our ateliers and repairshops who are always at fault in turning down the repair of complex electronic equipment. Complaints about the quality of repairs, as an analysis of complaints of village residents shows, often arise because the owners of televisions do not take into account the elementary requirements for operating these sets (turning the sets on under conditions of elevated humidity, reception by means of homemade antennas and so forth).

As discovered during the investigation of a number of complaints, the situation is frequently exacerbated by the fact that inexperienced individuals, whose private activities bring losses not only to the owners of electronic equipment but to the state itself, are often employed to make repairs. Unqualified "repair" sometimes brings so much damage to televisions that extensive expenditures, resources and time are required to fix them in the stationary repair shop. As a result, spare parts and units which are in short supply are needed.

What are the ways to further improve repair services to the village population? Workers of Belbytradiotekhnika RPO will continue to expand the

service form involving house calls to repair electronic equipment. According to our calculations, the proportion of rush repair jobs in the total volume of pay services will exceed 35 percent during the next five-year plan. Services by subscription will expand considerably. Moreover, this applies not only to individual citizens but to collectives as a whole as well. What does this yield? Kolkhoz and sovkhos workers with whom service contracts are concluded to repair consumer electronic equipment by subscription receive the maximum of convenience if the equipment needs to be repaired. As practice shows, a subscription will save an average of 2-3 hours of the client's time when receiving services and will result in a shorter repair time. This enables workers of the repair industry to plan for their material resources more correctly, which naturally improves services to the population as a whole as well.

Today our enterprises service 20 kolkhozes and sovkhos according to this promising form. Work in this direction is being carried out most actively in Grodno Oblast. Here contracts for subscription services have been concluded with Progress Kolkhoz of Novogrudskiy Rayon, Zarya and Kommunar kolkhozes of Lidskiy Rayon, Rossiya Kolkhoz of Dyatlovskiy Rayon and with a number of other collectives. Unfortunately, not all directors of enterprises have recognized the advantages of the subscription form of services offered by us. This is why it still has not been widely employed in the republic.

What about the work of radio repairmen-holders of two jobs? As of now no more than 40 are working in our subdivisions.

The development of a material base for repair shops and ateliers, the strengthening of their ties and interrelations with comprehensive reception points, the improvement in forms of service to the population--an efficient and quality solution to these problems will facilitate the complete satisfaction of demand by village workers for repair services.

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HOUSING AND PERSONAL SERVICES

READERS REACT TO POOR QUALITY OF HOUSING CONSTRUCTION

Moscow STROITELNAYA GAZETA in Russian 16 Aug 85 p 3

/Article by M. Ziborov: "Responsible By Law"/

/Text/ A discussion held with the chief of the Gosarkhstroy-kontrol /State Architectural and Construction Control/ Administration of Gosgrazhdanstroy P. Zubov was published in the issue of STROITELNAYA GAZETA for 11 January of this year. Mention was made in the discussion of the measures that must be taken in order to increase the responsibility of officials and organizations for the quality of the housing being erected. This article was warmly supported by the readers. Today we are publishing a review of the responses sent in to the Editorial Board.

"Dear Editorial Board! A 54-apartment nine-story cooperative building was erected in Ivanteyevka in Moscow Oblast at the address: No. 3 Pobeda Street. For a period of almost 6 months we were unable to enter it as a result of low quality construction and finishing work."

Many imperfections were obvious even at the time the building was turned over. However, it was accepted by the executive committee of the Ivanteyevka City Soviet. The Ivanteyevka Administration for the Mosoblstroy-20 Trust issued a letter of guarantee indicating that the defects and imperfections were to be corrected within a brief period of time. Sanitary engineers, electricians and finishing workers visited our building from time to time. However, this all took place simultaneously and we never knew exactly when the builders would arrive.

Well, when they did arrive, one had to beg them to carry out the necessary work. Moreover, the builders engaged in extortion, requiring payment for work which should have been carried out when the building was erected. When one takes into account the fact that our building is a cooperative facility, built using our own money, then it is apparent that such extortion is doubly offensive.

We are aware that at the present time the turning over of buildings having imperfections is strictly forbidden. How then was it possible for our building, which was in such a lamentable state, to be accepted and even with a grade of "good"? Who was responsible for this?

Building tenants: Sidorova, Kulkov,  
Antonova, Yeliseyeva and others

It was not by accident that we began this review of responses to the article entitled "Right To Sanctions" with a letter from victimized tenants. They were surely victims or we would not be discussing the situation. Nor were these new tenants of the Ivanteyevka cooperative victims of poor workers, who had carried out their construction and finishing work in a very unconscientious manner. They were also deceived by those whose service obligations called for them to protect the legal interests of the tenants -- those members of the state acceptance committee who signed the document which turned over the unfinished building and the leaders of the municipal executive committee, who approved the fraudulent document.

However, there is one important aspect: whereas the former (installers, finishing workers and so forth) in many instances bear responsibility for their careless work, the latter -- leaders and members of working and state committees -- remain unpunished for their deceitful dealings.

Thus the recommendations contained in the discussion held with the chief of the Gosarkhstroykontrol administration concerning the establishment of control over observation by the state committees of the rules for accepting projects and holding the members and chairmen of committees which illegally accepted unfinished buildings administratively and criminally responsible, found support among many of our readers. For example, here is what engineer-builder A. Garashchenko of Kurgan Oblast, who worked for 12 years in the technical supervision system, had to say in his letter:

"I support the recommendations of P. Zubov entirely and completely. For accepting into operations a project which has defects, a committee chairman should be held criminally responsible. Indeed, defects in construction production cannot be considered as merely complaints and suffering by specific tenants of a specific building. In addition, they represent damage inflicted upon our socialist economy. Moreover, connivance on the part of poor workers results in a situation wherein the SNiP's /construction norms and regulations/ and GOST's /state standards/ lose their legal force and are often neglected. In the article "Right To Sanctions," specific measures were proposed which in our opinion would force individuals to truly respect the GOST's and SNiP's as laws of construction production."

Without negating the idea of punishing the chairmen and members of state committees, many readers wrote in stating quite fairly that the present system for the planning of housing construction should be changed.

"The planning system in existence today for housing construction forces a client to accept dwellings containing all types of imperfections" so reads a letter written by the chief of Gosstroyinspektsiya for the Kirghiz SSR P. Lopatina, "this applies in particular to those projects, the introduction into operations of which coincides with the end of the year. Thus the thought expressed in the newspaper indicating that this system should be improved is quite fair."

In supporting this position, the author of another letter, A. Miklyayev, an engineer-builder with 22 years of experience, proposed that workers carrying out technical supervision work be removed from subordination to an executive

committee. Why? In answering this question, he referred to his own personal experience:

"I became considerably unnerved while working in the UKS /Administration of Capital Construction/. My leaders were even more persistent than the contractor. This was understandable: indeed, nobody removed the plan for the executive committee and yet if the plan was not fulfilled -- it was removed. Just try to prevent the acceptance of an unfinished building here!"

One can agree with the fact that it is not always easy for a technical supervision worker who is subordinate to an executive committee to retain high principles in the handing down of decisions. Thus attention should obviously be given to the proposal made by A. Miklyayev.

Among the letters received in response to the publication of the discussion held with P. Zubov, there were many which touched upon the work of the GASK /State Architectural and Construction Control/ services themselves. Our readers were justified in placing a high value on the role played by Gosarkhstroykontrol /State Architectural and Construction Control/ in raising the quality of housing units being erected. "The GASK organs must serve as a type of coordinating center for ensuring high quality construction and they must possess the right of material sanctions with regard to the planners, contractors and clients" commented V. Belov, an expert from Leningrad.

"P. Zubov noted quite fairly that a need exists for increasing the staffs of the GASK inspections in the various areas, raising the wages for their workers and ensuring that the full amount of the pension is retained for pensioners" wrote the chief architect for the city of Borodino in Krasnoyarsk Kray S. Yagupov, "It is not necessary to be an economist to understand everything: all of these expenses will be repaid with interest when the percentage of defects is lowered, the elimination of which is now requiring considerable (greater than those anticipated earlier) expenditures."

A letter sent in by a legal adviser attached to the Chernigov Oblast Repair-Construction Trust M. Grishko introduced a new twist in the discussion of the article "Right To Sanctions." The author of the letter believes that the questions raised with regard to new construction are quite fair and also those concerned with the capital repair of buildings. Truly, in the relations between a client for repair work and a contractor there are many controversial aspects which are not solved simply by the existing documents.

"I believe" stated the author, "that the goals and tasks of a client and contractor are identical as regards both construction and capital repair work: to carry out in a timely and high quality manner the state plan aimed at improving the housing conditions for Soviet people. Thus I recommend the introduction of appropriate changes and additions to the "Rules for Contractual Agreements for Capital Construction." Thus a single rule governing fines and sanctions would make it possible, first of all, to discipline our clients and, secondly, it would eliminate a number of normative documents concerning capital repair which no longer would be required.

The ideas expressed in the article "Right To Sanctions" have been supported by the leaders of Gosstroy for the Kirghiz SSR and USSR Gosstroy, who sent official

responses in to the Editorial Board. Thus the deputy chairman of RSFSR Gosstroy V. Alekseyev writes:

"Beyond any doubt, Gosarkhstroykontrol inspections should be created in those cities and rayons where they are lacking and in addition the GASK organs should be staffed with skilled workers. We are presently preparing recommendations for intensifying control over the quality of civil housing construction, improving the work of the GASK organs, expanding their rights and increasing their responsibility. These recommendations will be presented for review by the republic's Council of Ministers."

It is hoped that the state committees for construction matters in other republics will not remain indifferent to the questions raised on the pages of this newspaper.

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## HOUSING AND PERSONAL SERVICES

### HOUSING OFFICIAL DISCUSSES NEW IMPROVEMENTS IN CONSTRUCTION

Moscow TRUD in Russian 28 Sep 85 p 2

[Article by S. Nikolaev, director of the Central Scientific-Research and Planning Institute for Standard and Experimental Housing Design: "An Apartment with All the Problems"]

[Text] Many of us remember the ennui of postwar life. Then a home was characterized as "my corner", "a garret"... In order to understand the advances made by our country in mass housing construction, one only has to look at ads. Under the impact of the growth in material welfare and cultural level, the demands for housing have changed. "A garret," if it is not an artist's loft, in reality is considered unacceptable as indicated by the categorical line: "Attic not wanted." Incidentally, few settle for the ground floor either. The authors of the ads are also concerned with the ceiling height and wall thickness, and with having a garbage chute and balcony and much more, which we, the designers, must consider.

Our Central Scientific-Research Institute for Standard and Experimental Housing Design was created at the end of the Fifties when standard housing construction was expanded by large-scale prefabricated construction. In this period, we have created four generations of designs, each reflecting the country's economic capabilities. The first had minimum requirements and a basic condition: Build as many as possible as fast as possible. Then appeared uniform apartments with tiny kitchens and common bathrooms which today are universally criticized. But even they served their purpose in their time.

The situation today has radically changed. The scale of modern construction is huge: we gain more than 100 million square meters of living space yearly. The USSR leads the world in absolute terms of housing capital assets. By the year 2000, "communal apartments" must vanish into the past--within the country a move to single-family units is planned. In connection with this, we have a task before us: to build more and faster while keeping the square meter cost at the former level. Here are some solutions being considered.

One of the most important conditions is labor reduction without increasing manpower. The actual position foreshadows it. While there are now 8 million people joining the ranks of the builders, by 1990 the size of reinforcements

will be significantly reduced. How will it be possible to support the necessary construction tempo in such a situation?

Primarily due to the further growth of prefab home construction, there are scientifically-based construction times and regular material deliveries and an improvement of assembly methods. Further automation and the use of robots at all stages of the design and construction process, from the drafting table to the construction site, is necessary. A small example is: using the simplest arithmetic computers reduced lost construction labor by 30-35 percent. Alas, the problem of increasing production discipline and culture has not lost its urgency. It must be confessed that there is still a great deal of waste and without eliminating it, labor consumption cannot be reduced.

The next condition in importance, I would say, is economizing. With the increased volume of construction, naturally, expenditures of metal, cement, and other material increase. Where can reserves for economizing be found? Fellows at our institutes propose new economizing solutions. For example, reducing structural weight while, of course, maintaining its safety. Our innovation--an open structure sub-floor--is being used in Gorky and Sverdlovsk. The floor surface is the same quality while the expenditure of steel reinforcement compared to previous products has been reduced by 30 percent.

While creating the fourth-generation designs, we tried to consider all requirements: bigger, better and cheaper. But the primary accent was on comfort. Twelve meters per person is already provided. The latest generation is not only differentiated by floor space--it has met the level of world standards in basic scientific and design solutions. In Kaluga and Perm: they have begun to reorganize the factories that will produce the new design homes. In Gorky a huge housing construction factory has already been renovated. Near it is an experimental housing complex--the embodiment of the fourth-generation designs.

Therefore, we see that a "comfortable way of life" is becoming a concept. First is an improvement in the social support for new housing. There are often complaints: In new communities there is a lack of shops, kindergartens, polyclinics... The reasons for this are the lack of complete construction and oblivion to the truism that all services must be provided near a person's home. One design variant proposes the use of the ground floor, which is rarely requested, for service enterprises. It is true that in this respect too much living space is lost while there is still great need. In Moscow, daily services are located in one-storied annexes to high-rise apartment buildings. Our designs propose another variant: The ground floors will have specialized apartments for the elderly, invalids and families consisting of several generations. In this case, how can this housing be made attractive? In the Gorky experimental complex, the advantage of the lower story is the garden plot which is opened onto directly from the room.

Take the problem of protecting the tenants from street noise. In the past few years, it began a much talked about system. In our design, a house is built so that kitchen and staircase windows look out on busy streets, while bedrooms and living rooms open onto quiet courtyards. As a result of the

concern for improving the internal layout, two-storied apartments with two balconies have appeared. Plans for housing have been made to increase the distance between load-bearing walls which makes it possible to convert apartments.

We are often criticized for monotonous housing projects. Remember the television show "The Irony of Fate, or Did You Have a Nice Bath?" It contained justifiable derision of our designers since it is easy to make a mistake in new areas where all the buildings are identical. In order to avoid unidentifiable city buildings, the State Committee for Civil Construction is planning a principal change in the standard design methods. The Central Institutes will develop the main proposals and the basic series in locations allowing room for imagination.

As we see the new designs are not rough illustrations of the future, but something that has already found life. But including them in mass construction requires significant acceleration. Right now from design to inclusion is about 5 years. We could reduce this period to one and a half to two years. An experimental base is necessary for this where apartment types can be developed. It is suggested that woodworking plants, shops for preparing different types of equipment, soundproof booths, elevator testing areas, etc be available here. In reality we are occupied with all the problems of the housing complex: scientific and technical, economic and design. They require practical evaluations. The Main Administration for Construction in the Moscow oblast has been selected as the place for establishing this base but things are moving too slowly. And until we include these things, we are working, as they say, at the pencil tip. And in reality it is not enough to have an idea, it is still necessary to embody it and really demonstrate it.

To a great degree improving the quality of new housing depends on the level of control by the housing construction agencies. Right now everyone who is directly participating in the creation of a house operates independently, subordinate to various agencies. For instance, our scientific research institute is part of the State Committee for Civil Construction, the housing construction company is subordinate to the Construction Ministry and the material delivery people, on which, surely, very much depends, is in a third agency. What does this lead to in practice?

During the past severe winter, we received a bitter reproach from the head of a family who had just moved into a new apartment: "The whole institute works but still can't solve small problems." This concerned an old problem--closing the joints between panels.

But the fact is that this and other problems which make tenants uncomfortable have long been solved by us. In fourth-generation designs many new technical solutions were proposed. We know how to close the gaps in order to prevent the house from getting cold and so that no gaps will be left after rain. In Riga where there is an excessive amount of precipitation, we tried open joints which prevent rain from leaking. However, the Ministry of Construction Material Production for the USSR is not prepared to support the building sites with modern hermetic sealing and packing materials.

Our institute is not a material development agency but we put into designs the capability to use various local materials. We recommended that polystyrene foam, perlite or foamed slag be used as concrete warmers. At our prompting about 10 years ago, they began making walls out of ash concrete, a by-product of the local heat and electric power plant in Sverdlovsk. It turned out to be an excellent acoustical insulating material. Not long ago they used it in the city of Brezhnev achieving good results. But for the meantime, including new material depends on local initiative.

It seems to me that many problems are "scissors" between the idea and its implementation and the provision of new materials to the construction site. Improving the quality of work and so forth could have been solved by eliminating the diversity of agencies. In what manner? Well, let's say, by assigning housing construction to a separate department or ministry. Then a strong experimental base, the factories producing materials and the design institutes would be concentrated in one pair of hands. Of course, making such a transformation would not be easy and would require a great deal of reorganization and, obviously, one might find another, better solution. But that the question of improving the interrelationship between agencies which bear the responsibility for the final result in construction has long been right is an obvious fact. In the meantime their diversity slows our movement forward. Besides this, each subsequent task dictated under time constraints will be more complex than the previous one. And of course, the present requirements of bigger, better and cheaper will remain even in the future. In order to conform to these, construction must be in step with the scientific and technical progress, so it is necessary to immediately solve the current problems. Truly, catching up will always be more difficult.

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HOUSING AND PERSONAL SERVICES

TENANTS DELINQUENT WITH RENT PAYMENTS DESCRIBED

Moscow PRAVDA in Russian 27 Sep 85 p 6

[Article by V. Danilov, PRAVDA correspondent, Sverdlovsk: "In Debt; Contemplating the Fact"]

[Text/ "I was surprised: our apartment rental fee is so low that it would hardly constitute a burden for any family and yet there are persistent defaulters" wrote pensioner L. Rodionov in PRAVDA, "It seems to me that there are many of them, since our administration of the housing-municipal economy for the Uralelektrotiyazhmash plant alone annually fails to receive up to 4,000 rubles. What can these losses amount to for the city as a whole? And are there no organs which can exert influence on these unconscientious people?

These are simple questions and yet the city as a whole has no system for accounting for these losses. And indeed Uralelektrotiyazhmash is only one of many Sverdlovsk plants which has its own departmental housing.

On 1 January of this year, the PZhRU [proizvodstvennoye zhilishchno-remontnoye upravleniye; production housing-repair administration/ of the Sverdlovsk Municipal Executive Committee had a shortage of 500,000 rubles and its proportion of the city's overall housing fund amounted to one fourth. Thus the overall amount of losses is roughly 2.4 million rubles. This amount alone would be sufficient for building 400 2-room apartments on a large-panel basis. In addition, the debt which builds up in apartment rental payments has a very adverse effect on the work of the city's rayon housing-repair trusts and on the plant administrations of the housing-municipal economy. They are deprived of the opportunity of acquiring construction materials and equipment on a timely basis and, as a result, the operating conditions for the dwellings deteriorate and the schedules for carrying out repairs and providing public services and amenities are dragged out.

Who is included among the debtors? According to information supplied by the PZhRU of the municipal executive committee, pensioners constitute only 0.1 percent. Roughly 1.1 percent of the debtors are tenants with large families. Thereafter we have people who are not burdened with large families, who are fully able-bodied, but who are not permanently employed -- in other words, 22 percent of them are parasites. This is the most "stable" portion of the defaulters, who quite often are not subject to any punitive measures, despite the fact that various measures are being employed.

Initially, these people are sent requests asking them to pay their debts and thereafter they are sent reminders and eventually warnings. Representatives of the administration and society visit the apartments to exhort and admonish the offenders: they are asked to settle their accounts immediately. Finally, they are summoned to a comrades' court, where many of them fail to make an appearance.

"The warnings are effective in the case of those who are permanently employed" stated a technician of Housing-Operations Sector No. 1 of the Uralelektrotiyazhmash Plant A. Yashkina, "At least the debt can be recovered from them through the notary office by means of a deduction from their earnings. And this means nothing to these parasites: they generally have no earnings. Should their property be inventoried? Again, there is no property, since these parasites as a rule are drunkards. They squander everything. They spend their money for a bottle and pay nothing for their apartment."

I listen to A. Yashkina and workers attached to other housing-operations sectors, I sympathize with them and like them. I am surprised by the invulnerability of these people who rudely ignore their civil obligations. For example, let us take A. Tochilkina who resides in Apartment 44 at 61 Ilichev Street. Her occupation is unknown and her grown son also loiters about without work. Both drink and arrange collective merry-making parties in their unpaid rooms. P. Savchenko lives in Apartment 2 in House 24-A on Shefskaya Street. He also does not have any definite occupation, he drinks and he has no intention of paying off his long-standing debt. V. Pleshkov, S. Maksimov, N. Sakulina and others. Generally speaking, there are many such individuals. I ask:

"Why are these defaulters not brought into court?"

"They are brought into court, but the courts are unwilling to take action against them. They maintain that fines cannot be exacted from these individuals and evicting them serves no purpose."

Yes, our Soviet life style is based upon concern for the welfare of man and our laws are humane ones. But what if an individual, in response to the concern being shown for his welfare, defies the interests of the state? What action can be taken? Obviously, the laws must be strengthened in this regard. The parasites are still impudently abusing the humane attitude being displayed towards them.

It is surprising to note that these individuals who live at the expense of others do not recognize their own guilt and do not experience even the slightest discomfort when reminded of their ignored obligations. To the contrary, such discomfort is felt by those who do the reminding. A representative of society visits the apartment of a malicious defaulter and upon inquiring as to the reason for the indebtedness, hears: "Don't meddle in my affairs." This statement is then followed by unprintable language. The neighbors of these drunkards and hooligans refrain from complaining about them for fear of revenge. It is not likely that the drunkards and hooligans will be evicted and subsequently, after laying low for a period of time, they could again find a means for settling accounts with the "offenders."

Some housing administrations post lists of the more malicious debtors in prominent places. Subsequently the use of this measure was forbidden; it is said that it infringes upon the worth of a citizen. Thus the parasites begin to strut. Some of them even make an appearance in the housing administration where they bang their fists on the table and demand rapid repairs to be made on their living spaces, which they have not paid for over a period of years and which they never took proper care of themselves.

"An unfair situation develops" noted the chief of Housing-Operations Sector No. 3 of Uralelektrotiyazhmash A. Krasnoperova, "For example, a certain V. Parunova occupies an excellent 4-room apartment at 65 Shefskaya Street, but she has not paid any rent for it for over 2 years as she leads a parasitic life style. Alongside there is a family of honest workers who are enduring inconveniences as they await their turn for an improvement in their housing conditions. If it was my decision, I would transfer this Parunova to a smaller apartment and give her four rooms to someone who deserves them."

Among the debtors however, there are tenants of still another category -- individuals who are considered to be well off. Leaders of institutes, workers, scientists, VUZ teachers and others. In talking with them, one senses discomfort and at the same time it is clearly apparent that those with whom the conversation is being held are also uncomfortable. Some curse their forgetfulness, others confess that they did not believe that regular apartment payments were obligatory and still a third group maintained that fines were being exacted from them for delayed payments. Yes, it was insignificant. And is it not advisable to increase it? Perhaps this could also be a means for exerting influence on unconscientious tenants.

I would like to cite the names of those people who are excessively forgetful. But, honestly speaking, I cannot bring myself to do it in view of the fact that this category of defaulters includes some who to a certain degree have a very justifiable argument. In many savings banks in Sverdlovsk, the acceptance of payments for municipal services commences at 11:00 hours -- at the height of the working day. And at the beginning of the month, long lines form in the savings banks such that even a very punctual individual, in the interest of saving time, postpones until later his apartment payment. The possibility also exists, at the discretion of the workers, of having this payment deducted from their regular wages. But not all of the bookkeeping offices of enterprises and institutes favor this method.

In short, the situation should be such that the tenants are able to turn over the money which they owe simply and easily. Moreover, it is believed that the use of strict administrative measures against the malicious debtors will reduce those losses which today number in the millions of rubles.

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CSO: 1827/20

## HOUSING AND PERSONAL SERVICES

### GROWTH OF INDIVIDUAL, COOPERATIVE HOUSING IN RURAL LISSR

Riga SOVETSKAYA LATVIYA in Russian 25, 26 Sep 85

[Article by V. Polyanskiy, special correspondent of SOVETSKAYA LATVIYA from Vilnius and Riga: "Your Own Home in the Countryside"]

[25 Sep 85 p 2]

[Text] For every Latvian rural inhabitant at present there is an average of 20.7 m<sup>2</sup> of total housing area. Here over the last 18 years they have built 106,000 individual and cooperative residences and this is 70 percent of the entire housing area in the countryside. In terms of the use of long-term loans by sovkhoses, kolkhoses and other agricultural enterprises for the construction of individual housing for agricultural workers, Lithuania for a number of years has held a strong first place in the nation. They come here from other republics in order to become acquainted with the Lithuanian experience of the social and domestic reorganization of the countryside. The letters of our correspondent describe the organizational and economic mechanism of this experience.

#### 1. Better Than in the City

The year 1967 became a turning point for the Lithuanian countryside as the republic party bodies set the task of creating such living conditions for the kolkhoz and sovkhos workers whereby a person in the countryside could live better than in the city.

"And what during those years did it mean for a peasant 'to live better than in the city'?" now recalling that distant past, said Yu. Zhukauskas who for many years has led the Administration for the Construction of Settlements in the Lithuanian Ministry of Agriculture. "This meant having one's own home with enough room for both the young and older members of the family, a house with conveniences which maximally took into consideration that it would be lived in by persons who each day were engaged on the land or on a farm and in addition had their own yard. I remember at one of the meetings about this, the situation was well described by our former first secretary of the Central

Committee of the Latvian Communist Party A. Snechkus: 'We must help the peasants organize themselves so that their new housing fully meets the domestic habits and needs not of the former individual farmer but rather the Soviet rural worker who is the true master of his land'."

More than 2 decades have passed and now there are the first results of the great and complex work done in the area of the social reorganization of the countryside. More than 100,000 individual farmers (almost one-half of the total number of individual farmers) have moved into the settlements. As a total around two-thirds of the rural population is now registered in the settlements.

The Lithuanian countryside has been reborn with its own new architecture, domestic services and culture. Among other things the rural available housing is now 42 percent of the total housing in the republic. And let me repeat that 70 percent of the housing put up in the countryside is the personal property of the farm workers. This is an important fact since it shows how in a comparatively short period of time the republic has fully mobilized all the possibilities of the credit mechanism.

The increased rural domestic comfort has told positively on the demographic situation which is always sensitive to changes. In the Lithuanian village they have succeeded in overcoming the trend toward the aging of the population. Just over the last 2 years, the number of young persons from 16 to 29 years of age increased by 4.6 percent here. Again in the countryside the move has appeared of the young and older members of the family to live together, under the single roof of their own home. The migrating of young girls to the cities has also been notably checked.

For example, take the Laysve Kolkhoz in Shakyayskiy Rayon. On each street of its settlement (and there are 12 of them) the houses are not uniform but each has its own appearance because they were put up using different plans and considering the desires of the individual builders. The asphalt of the road surfaces gleams. The village has become cozy. The young people willingly remain here. At present, one out of every three working-age kolkhoz member is under the age of 30. The Zhigyalisov family is well known on the Laysve Kolkhoz and working along with the parents on the kolkhoz are two of their sons. The equipment operator Z. Antanavichus has a new two-story individual house with a garage for a Niva motor vehicle. He has three sons and two daughters. The professions of all the young people are rural ones such as equipment operators, construction worker and milkmaids. The representatives of this peasant dynasty have truly sunk deep roots.

"Previously we actually endeavored to leave the farm for the city pavements," reflected Atanavichus senior, "but now the young people have realized that their home and their destiny are here."

New structures on this farm are springing up like mushrooms. Among the local new settlers there are more and more urban dwellers who have returned to their home area. In just the last 4 years, 37 persons have moved here from the city. The farm has established a special brigade of construction workers and this helps the individual builders.

And how are things going with agricultural production? The milk yields from a cow at the Laysve Kolkhoz are 4,500 kg per cow. Since the start of the five-year plan, meat production has increased by 47 percent while costs have declined by almost 10 percent. In a word, this clearly reaffirms the notion that the rural economy is closely tied to its social infrastructure in which a well-ordered domestic life is a very important and possibly the most crucial factor.

The construction of housing in rural Lithuania has been elevated to the rank of a "fourth indicator." At the republic Ministry of Agriculture, at the party raykoms and in the rayispolkoms, in summing up the results of the socialist competition among the farms, after accounting for and considering the achieved levels for the production of grain, milk and meat, they have also begun to consider the rate and scale of individual housing on one or another kolkhoz or sovkhov.

Concern for a new, comfortable rural house for the workers of the fields and farms has become party-wide. Even the city party committees are involved in it.

For example, take the Leninskiy Raykom of Vilnius which brings together communists from many industrial enterprises, scientific and cultural institutions and creative organizations of the Lithuanian capital.

"In recent years, we have supplemented the traditional forms of sponsorship aid to the countryside which is provided during the period of crucial agricultural work with constant sponsorship of the social development of the rural settlements. We are carrying out this work in our sponsored rayons of the republic, that is, Vilniuskiy, Varenskiy, Moletskiy and Shalchininskiy," said the First Secretary of the Leninskiy Raykom G. Shaltenene. "During the 12th Five-Year Plan the plan of social sponsorship is to be significantly broadened. It envisages broad participation of the workers from our rayon in increasing the aesthetics of rural life, strengthening new Soviet traditions in it and organizing meaningful leisure for the kolkhoz members and sovkhov workers. Of course, the work of the design organizations is under the particular supervision of the party raykom as these are carrying out the orders of the countryside for building social and consumer projects."

An important turning point in the life of the Lithuanian countryside was the special traveling plenum of the Central Committee of the Lithuanian Communist Party held in June 1983 at the Erishkyay Kolkhoz in Panevezhskiy Rayon, a farm which was one of the first in the republic to complete the move from the individual farm to the village due to the rapid construction rate of individual housing. This plenum summed up the acquired experience and set out the main directions related to the further social reorganization of the countryside and improving the housing construction mechanism operating there.

The settlements in this republic do not copy the city. In truth, the domestic conveniences in the houses are approximately as in the city but here they have long and persistently maintained a policy chiefly of an individual farmstead-type house located on a large plot of land where there is room for both a garden and orchard. An obligatory part for any new structure is the farm

buildings for the keeping of livestock and vegetable storage corresponding to the scale of the private subsidiary farm. In a word, a house is put up with an eye to the future so that not only today's generation can live and farm well in it but also for those who will appear in the future.

The work of the Lithuanian architects and designers is also aimed at the same demographic future as they not merely offer the individual builders one or another version of a rural home but rather along with them, with the future owners, seek out ways to make the new housing conform fully both to the existing as well as the new rural traditions and the modern peasant psychology and way of life. With good reason, this work has been repeatedly shown at the USSR VDNKh [Exhibit of National Economic Achievements] and has been awarded exhibit prizes.

Complete priority has been given to individual rural construction among our neighbors. To build a private house for a kolkhoz member costs incomparably less trouble and money than doing the same for the inhabitant of any Lithuanian city. What system of measures is used for this is the subject of our next article.

[26 Sep 85 p 2]

[Text] 2. A Common Benefit

Why is it easier to build a house in the Lithuanian countryside than in any city of this republic? Merely due to the crediting rules? No. Seemingly, if you saved up the money the state would help you with a good loan and you could build away! However, anyone who has attempted this task knows that there often still is a great gap between the estimated and actual cost of the new structure as well as a lot of trouble in locating building materials, even if one already has all the official documents for purchasing them, and then there is the problem of delivering them to the construction site.

For a majority of the Lithuanian rural inhabitants who have already built or are building their own homes, such problems virtually do not exist because the most difficult hassles have been assumed by the farms themselves. This has been the case since 1967, when the republic directive bodies recommended that the farms centrally purchase and deliver to the spot everything needed for the needs of the builder who had taken out a state credit. This has been the main, decisive factor making individual construction in the countryside both popular and widespread. People have fully and actually felt the concern and interest of the kolkhoz and rayispolkom in helping the new settlement get going as quickly as possible. In truth, at first even the individual farmers showed mistrust and apprehension of credits for the building of a new house.

"Then we began the most extensive explanatory work," explained the chief of the Administration for the Construction of Settlements of the Lithuanian Ministry of Agriculture, Yu. Zhukauskas. "We made full use of the press, radio and television for this. We went out to talk with the rural workers not with empty hands but rather with a large number of all sorts of plans for single-dwelling rural houses with varying space, cost and many versions of farm buildings. I remember when we offered over 100 such plans. Each was

ardently discussed and later things moved quickly from words to actual work, to structures which marked the beginning to many of our new rural settlements.

Of those 100 plans now very few remain which withstood the test of life and are to the liking of a demanding settler. This has largely been the work of specialists from the Institute for the Designing of Agricultural Construction Under the Lithuanian Gosstroy and the Lithuanian Scientific Research Institute for Construction and Architecture.

What is offered to the rural inhabitants now? A two-story, five-apartment house with a total area of around 100 m<sup>2</sup> with three or four bedrooms, a combined kitchen and dining room and a room for work clothes. The estimated cost of such a house is around 15,000 rubles. There are also scaled-down versions. If the builder himself has the means for more expensive interior furnishings, after the appropriate approval he can supplement the existing standard plan with his own ideas. It is even possible to order an individual design from the institute if, of course, this is not contradictory to the main construction standards and rules.

There is the possibility of choice and there are different models. This again attracts the new settlers and the designers are helped in better understanding market conditions, trends in the demand for various plans and more fully consider them in their subsequent work.

Does the estimated cost substantially influence the popularity of a design? It turns out that it does not. Comfort and precisely rural comfort is more important for the people than the price of the house. Here one can feel the increased material standard of living. Hence, here a clear organization of individual housing construction serves as a reasonable realization of the population's monetary income and which is advantageous both for the family and for the state.

The rural resident has become better off. But this does not mean that a kolkhoz member or a sovkhoz worker can immediately pay for a good new house out of his cash. And particularly this is beyond the power of a young specialist. Here the countryside widely utilizes the entire arsenal of state-planned benefits. This is practiced particularly where the shortage of manpower and specialists is greatest.

In order to attract people, many Lithuanian farms grant the new settlers a credit amounting to the full cost of the house. Moreover, the farm itself builds the residence obtaining materials at wholesale prices for these purposes and the same ton of cement costs almost one-third the amount at the retail price.

But benefits are benefits and a debt remains to be paid. Receiving the keys to the house built at the expense and with the forces of the kolkhoz, the new settler should promise not only to repay the loan at the stipulated time but also work a certain period of time on this farm.

Or take the following example. A person has built a house with his own forces on kolkhoz land and sometime later decided to sell the house. If the new

owner does not intend to work on the collective farm, then permission is not given to sell the house to him. Our neighbors observe this rule unswervingly.

A last but not least circumstance in the Lithuanian experience of rural housing construction. In the first article, we mentioned the Laysve Kolkhoz which has established a specialized brigade to help the individual builders. This is far from the sole example. But still the main executor of this work in Lithuania is the interkolkhoz construction organizations. Aside from putting up the Alitus-produced houses (similar to our Livany ones), Mezhholkhozstroy [Interkolkhoz Construction Administration] has also assumed a significant amount of work in building houses on the basis of individual plans. This is encouraged in every possible way in the republic and there is constant supervision over the pace and quality of the work done by Mezhholkhozstroy. Certainly it is building not any old thing but the future of the countryside. Naturally, this experience has been widely presented at the USSR VDNKh.

Here is the 1985 plan for completing individual housing in the Lithuanian countryside. The total volume of contracting work during this period should be 80.5 million rubles with a breakdown as follows: 3.2 million rubles for the Ministry of Rural Construction, 41.2 for the Lithuanian Mezhholkhozstroy and 36.1 million rubles for the forces of the farm construction brigades.

The present proportional amount of the rural population in this republic in percentage of the entire population is approximately on the same level as the entire nation, being only slightly behind Belorussia and surpassing Latvia and Estonia by 5 percent. In a word, here there has been and is no particularly alarming reason to take special emergency decisions to keep people in the countryside. All the same fundamental organizational measures have been taken ahead of time for this. The correctness of such a policy is affirmed by the same statistics. For example, in the 11th Five-Year Plan the Lithuanian farms each year kept 6,000 persons for themselves by reducing the migration of people from the countryside to the city.

A house built to their own peasant taste keeps the people!

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CSO: 1827/16

## HOUSING AND PERSONAL SERVICES

### DEMAND FOR APARTMENT EXCHANGES IN MOSCOW

Moscow ZHURNALIST in Russian No 8, Aug 85 pp 54-55

[Interview of Aleksandr Yegorovich Dubrovin, chief of the Moscow City Buro for the Exchange of Living Quarters, by correspondent S. Valentinov: "Other Options Will Be Considered"]

[Text] [Question] My first question, Aleksandr Yegorovich, about how great the demand is for apartment exchanges in Moscow, was prepared in advance like my other questions. But the answer became clear even before I entered your office. The answer is on the walls of the buildings in the alley leading to your establishment. The walls and fences are covered--in several layers!--with so many ads that reading all of them would take at least a month or maybe even two. Many of the hand-written or typed exchange proposals have been pasted so high up on the walls that a person would have to stand on someone else's shoulders to read them.

[Answer] Yes, there is no question that the alley, which has been turned into a huge bulletin board, is a surprising sight for someone who has never been here before. And it immediately answers your first question: There is a great demand for exchanges. But the people who stand on each other's shoulders to put ads up or to read them are hoping for good luck or, quite frankly, for a miracle. But in the first place, there is no such thing as a miracle, especially in the sphere of apartment exchanges. If we were to find a step-ladder, put on our glasses and read what the "steeple-jacks" want, we would see that what the majority want is precisely a miracle: For instance, they might want to exchange a small two-room apartment--a "vestibule" (I am certain that this term is understandable to all citydwellers)--in a remote neighborhood for an apartment with separate rooms in the center of the city. This ad will surely have the postscript: "Other options will be considered."

[Question] What is the real meaning of this postscript?

[Answer] It usually means: "Willing to pay for extra space, a better layout and additional conveniences." Usually, this is precisely the reason why a person puts up his own ad. After all, on the official form, which is filled out in the prescribed manner for a small fee--of under a ruble--everything must be described precisely: the description of the applicant's own living quarters and of what he wants in exchange. There cannot even be a hint of

additional payment: This is illegal! But in his own ad, the person can write whatever he wants. Our staff and the police take down the personal ads and wash the walls down, and those who put them up are subject to a fine of up to 10 rubles, but new ads are put up each day, and not only near our buro but also near subway stations and near municipal bus stops.

[Question] I think that the person who puts up his own ad is motivated by more than just the wish to write: "Other options will be considered." Obviously, people do not expect great results from your buro. Furthermore, each ad is a complaint about inconveniences in housing and a request for help, and not simply the "hope for a miracle."

[Answer] You are right about the main thing: The ad for an exchange is a complaint about personal discomfort. Either physical or emotional. Or perhaps even social. Each line reveals the circumstances, experience and behavior of people. And much, much more. Even the standard wording can tell us a great deal about the life of the author, about what has happened to him.

[Question] Please tell us what you can about some ads. I have copied some of the ads on the boards in front of your buro. For example, one says: "30 meters (19 + 11), 6-meter kitchen, on the first floor of a five-story apartment house, balcony, garbage chute. Koptevo, Bolshaya Akademicheskaya Ulitsa. High ceilings on first floor, telephone...for a two-room apartment of up to 30 meters in a central neighborhood."

[Answer] We can assume the following. The author is the head of a family of three or four. The husband and wife work in the center of Moscow. It is possible that they once lived in the center, grew used to it and all of their friends and relatives are still there. They probably got sick and tired of their communal quarters and decided to move to an outlying neighborhood, and even agreed to take a first-floor apartment. There is no subway in Koptevo, and they now have to spend 2 hours or more traveling to and from work. Now their children are older and they do not need a kindergarten; this assumption is based on the fact that there are fewer pre-school establishments in the center of Moscow than in new neighborhoods--for example, Koptevo. But, of course, all of this is supposition. All that is definite is that it will be extremely difficult for the advertiser to get what he wants. And it would be virtually impossible for our buro to help him. The facts must be faced.

[Question] Here is another ad: "30 meters (21 + 9), 6-meter kitchen, on the sixth floor of a 12-story apartment house, elevator, balcony, garbage chute, near Kaganskaya subway station, Rogozhskiy Settlement, telephone... for a two-room apartment of at least 28 meters with separate rooms in Leningrad or Tushinskiy rayons, any floor but the first."

[Answer] There are two possibilities. Either the people want, as in the first case, to move closer to work, or, and this is also quite probable, they want to move closer to their parents or other elderly relatives.

[Question] To take care of them?

[Answer] Most probably so that their parents and relatives can take care of the advertisers' children. Or even of the advertisers themselves. Does this surprise you? It was no coincidence that I mentioned the moral aspect of exchanges.... Advertisers are often motivated by egotism, and the "sacrifices" retired parents and other relatives make for their grown-up "kids" go beyond all reasonable bounds.

[Question] One more, please: "43.5 meters (17.8 + 13.3 + 12.4), 5.5-meter kitchen, shared bathroom, second floor of a five-story brick building, balcony, near Dinamo subway station, Ulitsa Novaya Maslovka, telephone... for a two-room apartment of at least 25 meters on any floor but the first or last and for a room of at least 10 meters on any floor but the first or last."

This ad also lists another telephone number, and judging by the first digit the subscriber lives in an extremely remote neighborhood of Moscow. It says: "Call after 18:00."

[Answer] I think what we have here is a family drama. A divorce. The children, one or two of them, are already living without a father, and it is probably he who can only be reached after 18:00. He has left his family and settled someplace else temporarily, and it is for him that the wife is requesting "a room of at least 10 meters."

[Question] Then the next ad probably indicates the opposite situation. It says: "18.3 meters (two rooms for two people), 7.8-meter kitchen, on the fifth floor of an eight-story brick building, elevator, garbage chute and telephone. Near Universitet subway station, Leninskiy Prospekt. 9.1 meters (room for one) with 6.1-meter kitchen, on the first floor of an eight-story wooden building, garbage chute. Near Novogireyevo subway station, Molostovyykh Ulitsa, telephone...for a two-room apartment of at least 23 meters or a one-room apartment of at least 20 meters, with telephone, preferably near subway station."

[Answer] It is possible. But I wonder what you see behind these phrases. Try to interpret them.

[Question] I will try. I will begin with the owner of the 9-meter room on the first floor in the remote neighborhood. His situation is probably the same as that of the "character" in the previous ad: He has been divorced and agreed to take the first room available. Now he has decided to start a new family. He has left his own children and his wife-to-be does not have any yet, so he is even willing to take a one-room apartment. He is protective of his "lady-love": He says that she has a telephone but does not list the number. After all, if he did list it, other men in his position could start calling her from their 9-meter rooms. And she is also aware of her value: She did not insist on listing her number but wants him to sit at home in the evenings and wait by the phone for answers to the ad.... But in line with this, would it not make sense for your buro to also run a..."dating service"?

[Answer] Now you are letting your imagination run away with you.... Actually, your suggestion does make some sense, but....

[Question] Excuse me for interrupting you, but here is another suggestion. In Moscow, just as in other cities, there is a job placement buro as well as an exchange buro. Would it not be wise to combine, unite or at least coordinate the efforts of these offices? If, for example, a worker in one of the mass professions--a machine operator, driver, hairdresser or cashier--lives in a new neighborhood, far from the center and from his enterprise, would it not eliminate the problem of apartment exchanges if your buro responded to his application with information about jobs closer to his place of residence in addition to information about living quarters closer to his job?

[Answer] This also makes sense. But consider the fact that there is no such thing as an official "dating service." This is the first thing. And the second is that it is better for any working person to stay for 20 years or more at a single enterprise. The size of his pension depends on continuous service! And many other benefits are connected with seniority.

[Question] This is true, but there are exceptions to the rule: The person who is transferred to another job does not lose seniority. This exception could probably also be made for people who take a job at a new place of employment close to their place of residence. Think of how the savings in time and energy, spent daily on travel to and from work, could affect the person's work--its productivity and quality. And how it might affect his family, his children. And how it might affect the quality of life in general. A job closer to home is one of the important and effective "human factors" the April (1985) CPSU Central Committee Plenum asked all of us to seek and find.

[Answer] But our establishment does not have the authority to consider these suggestions, much less to act on them. Our functions are much more modest, although, quite frankly, our employees also have to deal with many pressing problems that must be solved. I would like to cite a few figures to give you some idea of the activities of the city and rayon apartment exchange buros and of the overall demand of Muscovites for improvements in their living conditions or, to use your term, in their quality of life.

During the first quarter of this year, for example, 28,571 apartment exchange applications from citizens were considered. Action was taken on 25,048 of them. In all, 24,284 exchanges were arranged, including 2,692 moves to other cities and suburbs. As a result, 3,099 families moved closer to jobs and subway stations, and 2,101 families moved closer to relatives. The total number of families moving closer to jobs, subway stations and relatives was 5,200, or 21 percent of all the exchanges arranged.

Furthermore, 8,260 exchanges united married couples and close relatives, and 458 families moved to apartments on lower floors or exchanged living quarters for reasons of health.

Marital separations were the cause of 2,044 exchanges, 3,994 families moved away from relatives and 1,728 families moved away from neighbors. The total number of moves away from ex-spouses, relatives and neighbors was 7,766, or 31.9 percent of all exchanges.

In addition, 1,926 families exchanged apartments for larger or smaller living quarters, and 254 families exchanged for other reasons. As a result of these exchanges, 765 families previously living in communal quarters moved into separate apartments.

[Question] How many cases are you working on now?

[Answer] On 1 April 1985 we were working on apartment exchanges for 79,337 families, including 5,991 wanting to move to other cities or to suburbs.

[Question] Thank you for these interesting facts. They certainly provide "food for thought." Now it is time to move on to another subject, which you have probably already guessed: I would like to direct the attention of my journalist colleagues, sociologists and social psychologists to the work your establishment is doing, and to ask for their help in requesting and urging the workers of local soviets and municipal services, the managers of enterprises, trade-union officials and, of course, the designers and builders of future cities and new neighborhoods in old cities, especially the big cities, to consider these matters and to make decisions on them.

[Answer] Well, I will certainly help you too. When a certain number of the inhabitants of any big city move from one neighborhood to another, the lives of the people who move and of the city as a whole are affected in many ways. It affects their mood and, therefore, the productivity of their labor, which you have already mentioned. It affects their participation in public affairs and their obligations to their families and children. A move that is necessary to a family or convenient for it can often result in stronger and healthier family ties. Optimal settlement patterns optimize the work of ~~municipal and suburban transport~~, reduce rush-hour traffic, create vacancies in child care establishments and facilitate the work of outpatient clinics, stores, the public catering network and consumer services. They allow people to diversify and enrich their leisure activities and take up sports.

If we exclude the exchanges motivated by selfish, purely egotistical considerations, the rest simply must be accomplished. It will be better for all of us if they are. But this can be quite difficult or even impossible: The supply does not meet the demand. And we are still poorly equipped to satisfy this demand. The buro has only an inefficient reference data system. We need computers, devices for the retrieval and comparative evaluation of options, and we need trained specialists.

[Question] But it is probable that you need more than just modern equipment. There are also other obstacles. For example, here is a typical line from an ad: "Any floor but the first or last." Sometimes the statement is even more categorical: "Offers on the first or last floors will not be considered." Obviously, city planners should pay attention to the opinion expressed each year by around 100,000 Muscovites and, judging by similar phrases in ads in local newspapers, by hundreds of thousands of citizens in other cities. People do not want to live on the bottom and top floors, and this must be taken into consideration.

[Answer] Yes, the time has come for this. More resolute action must be taken to turn the first floors over to trade, consumer services and small establishments. And the top floors should be used for recreation areas for children and adolescents. All of this cannot be confined to basements, as journalists have often written.

[Question] Now my last question, Aleksandr Yegorovich....

[Answer] Also prepared in advance, I assume.... And do you already know the answer to this one?

[Question] It was prepared in advance, but let us look for the answer together. You have your own publication, the "Apartment Exchange Bulletin," printed in 25,000 copies. Are you happy with this bulletin?

[Answer] Before I answer, what are your suggestions?

[Question] It seems to me that the contents of the bulletin might not be confined only to citizens' offers of apartments for apartments or rooms for rooms. Many people who are planning a move do not know what documents are needed for this. Legal consultations are also needed. Sometimes there is a need for other kinds of information. If the bulletin could also take care of these needs....

[Answer] Then people would spend less time trying to find this information and the entire move could be accomplished better and more quickly. We are considering these matters and we will probably start printing official requirements and other information needed by the reader in our publication. We will ask MOSKOVSKAYA PRAVDA and VECHERNYAYA MOSKVA journalists for advice on the best way of doing this. I hope that our conversation will arouse the interest of journalists and all those on whom the citydweller's quality of life depends in the issue of apartment exchange. Although the problem as a whole is a difficult one, it can be solved. It is precisely one of those cases in which "other options will be considered."

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HOUSING AND PERSONAL SERVICES

GOSPLAN OFFICIAL INTERVIEWED ON SERVICE SECTOR

Moscow IZVESTIYA in Russian 19 Oct 85 p 2

[Interview of V. Moskalenko, USSR Gosplan department chief, by correspondent A. Chernichenko: "To Make Things Convenient for Everyone"]

[Text] The USSR Council of Ministers recently adopted a decree "On Measures To Expand the Paid Public Services Offered by Enterprises and Organizations Not Specializing in the Performance of These Services." From now on the service sector in our country will receive considerable assistance from thousands of enterprises in industry, construction, transportation and other sectors which will combine their main functions with the offer of many more services, primarily to their own employees, in appliance and home repairs, landscaping, the construction of cooperative garages and others. Commenting on this decree, USSR Gosplan department chief V. Moskalenko responds to the questions of an IZVESTIYA correspondent.

[Question] To which enterprises does the decree refer?

[Answer] Paid public services will now be offered by thousands of enterprises in industry, construction, transportation, agriculture and other branches of the national economy with the necessary facilities for this. Many of them performed services in the past, primarily for their own employees and also for other citizens, but this was only a matter of local initiative. From now on it will be compulsory and legally enforceable.

[Question] In other words, it could be said that the new decree is largely a generalization of the experience already accumulated by enterprises in the country. Could you possibly cite some specific examples?

[Answer] This experience has been accumulated by individual enterprises and by entire cities and even regions. For example, this is not the first year that 240 industrial enterprises of union and republic jurisdiction in Sverdlovsk Oblast plan to offer services to their personnel. Just last year, the volume of plant services here increased from 5.5 million rubles to 9 million.

If, for example, a worker at the Bogdanovich Refractory Materials Plant decides to build his own house, he will first apply to the trade-union committee of his enterprise. By an agreement with the administration, he will be allocated construction materials at state retail prices, will be allowed the use of trucks whenever convenient and will be leased the necessary tools.

Services do not have to be of a productive nature. The Verkh-Isetskiy Plant, for instance, is located near a large pond. Through the efforts of the board of directors and the trade-union committee, the pond now serves the public: Boathouses and shops for the rental of sports and fishing equipment have been opened here.

The Bolshevik Production Association in Kiev has its own consumer service center, which offers customers the traditional services and can also fill orders for metalware made from association waste-products. The enterprise can fill orders for home repairs, the construction and repair of greenhouses, outbuildings, collective and private garages, vegetable storage bins, walls and fences and deliveries of fuel and other freight. Next year the Bolshevik plans to perform more than 400,000 rubles' worth of services.

Several years ago, the ispolkom of the city soviet of people's deputies in Yaroslavl initiated the issuance of a public transport service plan to each enterprise with a bus and of a profit plan to each bus. Arrangements were made for the payment of supplementary wages to drivers, and all departmental buses were equipped with fare-boxes and cards listing the enterprises owning the buses, bus schedules and routes. This dramatically improved transportation in the city, especially during "rush hours." After all, just last year the departmental buses served over a million passengers who were previously not "authorized" to ride them.

[Question] What other kinds of services will the enterprises perform by the terms of this decree?

[Answer] They cover a broad range. For example, appliance repairs will be performed primarily by machine-building and instrument-building enterprises. Transport enterprises or others with their own motor vehicles will be able to offer their buses for municipal transport and charter them for trips or excursions, and their vehicle repair shops can be used for the maintenance of passenger cars and other privately owned vehicles.

Additional public services will be offered by establishments of culture, physical culture and sports, health resorts and sanitation establishments. A broad network of paid courses and clubs will be established.

[Question] The decree speaks of enterprises and organizations with the necessary facilities for the performance of services for the public. But appliance repair, for example, will require both the necessary space and the appropriate tools.

[Answer] In the event that the enterprise is incapable of acquiring what it needs, it will be able to apply for credit. USSR Gosbank and USSR Stroybank

are now authorized to extend credit to enterprises for the construction, enlargement, remodeling and retooling of facilities for the performance of paid services.

[Question] Semimanufactured goods and raw materials will also be needed....

[Answer] The enterprises and organizations in question will be allowed to use all conserved resources, substandard materials and production waste for public services. They can use them in the production of semimanufactured goods needed to fill orders. Besides this, the plans of the union Gosplan, Gossnab, ministries and departments and the union republic councils of ministers will envisage the allocation of additional resources to these enterprises for what we call their new "sideline."

[Question] We still have not discussed what might be the most important type of resource--people, manpower. The regions with the greatest demand for services are precisely those in which the manpower shortage is most acute.

[Answer] The experience of enterprises and organizations which are already performing these services has proved that they can do the work with their own manpower in most cases by using these resources more efficiently and improving the organization of labor. Besides this, the combination of jobs must be instituted more widely in the prescribed manner, and retired workers, housewives and students should be encouraged to work part-time.

[Question] Will it be possible to compel enterprises to augment operational efficiency in this new sphere of activity, particularly in view of the fact that it is not their area of specialization?

[Answer] We do not think this will have to be done. In the first place, the fulfillment of public service assignments will be taken into account in evaluations of the performance of enterprises and organizations and the payment of bonuses to the personnel categories involved in this work. In the second place, in accordance with the decree, the entire increase in profits from public services over the previous year's figure will remain completely at the disposal of the enterprise. Up to 30 percent of this sum can be used to pay bonuses to workers engaged in the performance of services.

[Question] You said something about service assignments. What form will they take?

[Answer] Volume assignments will be calculated in monetary terms. Furthermore, over the next 5 years the service volume of each union republic ministry and department must increase by at least 40 percent.

[Question] Your answer to my previous question indicates that the enterprise will have an incentive to fulfill the volume assignment, but will the quality of services suffer from the striving to reach the "ruble" indicator, as it does today even at enterprises specializing in consumer services? Will someone be planning and supervising the variety of "sideline" services and their quality on the local level?

[Answer] The paid services performed by enterprises and organizations, regardless of their departmental jurisdiction, will be supervised by local soviets. They will direct and regulate the development of all paid services in their territory. The new decree gives them another effective instrument for the accomplishment of this task.

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HOUSING AND PERSONAL SERVICES

'DO IT YOURSELF' SHOP PROVIDES RENTALS, GIVES ADVICE

Moscow IZVESTIYA in Russian 12 Oct 85 p 3

[Article by E. Kondratov, IZVESTIYA correspondent, reporting from Kuybyshev under the rubric "Attention, Experience!": "A Workshop For Everyone"]

[Text] Woodworking, metalworking, welding and other jobs for around the house can be done with expert advice in a workshop opened by the household service of the city of Kuybyshev.

I arrived at Avrora Street with V. Korolev, the director of the Oblprokat [Oblast Rental] Production Association. A sign above the ground floor reading "Sdelay sam" [Do It Yourself] was visible from a long way off. On the door was a schedule of business hours: from noon until 9 pm on workdays, opening at 9 am on other days.

Shaking his unruly curly locks, Anatoliy Zagudayev, a receptionist/consultant, showed us around the whole workshop with obvious pleasure.

In one room woodcutting tool sets were laid out, along with shaping, cabinet-making and metalworking tools (including sets for children). If a customer likes, he can do the work here, or else he can rent tools. On a special table marked "You can buy these" lay wire, sheet metal, doorknobs, glue, locks, door fasteners and window sashes.

In the next room were electric sewing machines and a cutting table. In another room were a piano, various types of accordions, and guitars. There were also rooms designed for electroplating, soldering and welding. And in the largest room, equipped for metalworking and cabinetmaking, there were lathes, jointers, workbenches with vises, and an electric grinder for sharpening tools.

Since the "Sdelay sam" workshop opened, many city residents have had their first opportunity to spend their spare time making projects for their homes and families and, most importantly, for personal enjoyment. There are a great number of handymen in this city, but as a rule an apartment is no place to work: there is not enough space, and the neighbors are right next door... and not everyone owns hand tools, let alone machine tools. Here there are all the proper working conditions, as well as consultant A. Zagudayev, a master of all trades, ready to give instruction in cabinetmaking and metalworking, give advice on how best to renovate one's apartment, make one's own

keys, or repair a faucet.

There are also other advisors here: an experienced seamstress helps women cut out and sew their own dresses, pants and children's clothes. In the music room people get help learning to play the grand piano, accordion or other instrument. If there is no room for a piano at home, one can come here to study music.

"Of course, these services are not free," says V. Korolev. "The 'Sdelay sam' workshop is operated on a cost accounting basis, which means that it absolutely must not only be self-supporting, but also yield a profit. Even a consultant's salary depends upon the amount of money we take in, and equals a certain percentage thereof, as specified in a work agreement. Any qualified specialist can become a consultant in addition to his regular job; our forms of agreement with them are flexible. And just think how many retirees we have who were known for their 'golden hands' back when they were working. This is the place for them."

And how have city residents reacted to the opening of a "workshop for everyone"? I leaf through the book of visitor's comments. "It's great that they have opened such a workshop. We are very pleased with it. But decorative knitting and crocheting should also be taught..." "I propose that bookbinding be among the services here; we need to buy stitching forms and a paper cutter." "It would be nice if it were possible to work with linoleum here and make attractive doors for oneself."

People are recommending that the workshop's organizers obtain the metal patterns needed for projects, piano wires and decorative hardware for furniture. They are asking for instruction in typing and decorative work with artificial leather, vinyl and polyethylene.

So far few people in the city know about the workshop on Avrorra Street. But people are already coming. And no matter with whom I spoke, they all approved of the oblast rental administration's idea.

"They could also set up an excellent radio department here," graduate student A. Popov feels. "Lots of people are amateur radio hobbyists, but you can't buy an oscillograph or a set of oscillators; they're too expensive."

"They could also use drill presses and milling machines," adds V. Shakhrrarin, a worker. "And they need to work on the problem of how to get finished projects home."

"It would be good to open workshops like this in every microrayon," says S. Osipov, an engineer.

There are many proposals. Those who are interested speak frankly. Along with Korolev they dream of splendid possibilities. But so far the organizers of the "workshop for everyone" have quite a few more unresolved problems than practical achievements.

Various types of difficulties crop up. So far no price list for such services as consultation and instruction on musical instruments has been set. And it gets worse. The rental administration got a stern warning from the cultural branch: don't you dare teach music, that's our job. As if the rental administration were claiming to give its clients diplomas in musical education! The financiers are also quite strict; moonlighting is not permitted for every instructor. For ordinary workers, sure, but not for engineers, white-collar workers and workers in mass culture... Yet another outdated regulation which hinders the development of services. There is simply no way to get by without having these qualified specialists work on the side. There are many persons who would like to work on a contract basis in the service sector: V. Korolev has already assembled over 100 consultants and found space for at least 10 workshops.

However, the main problem is the acute shortage of materials for projects. But here, too, it seems that a solution has been found. The party's gorkom held a meeting of the directors of 44 Kuybyshev enterprises. There it was decided that henceforth plants, factories and construction trusts would deliver scrap and substandard materials to the "Yuniy tekhnika" [Young Technician] store and the "Sdelay sam" workshop. Catalogues of factory scrap are already being prepared and prices agreed upon. A fair to display samples of this material is planned for November.

Other practical measures for the creation of cost accounting complexes to render services to the public are also planned. These will be established in each rayon. They will include "workshops for everyone," dancing schools, aerobics classes, swimming lessons, health groups and even organized children's games and competitions in city parks.

This was discussed at a recent meeting of the oblispolkom and, to be honest, by no means all of those present were unanimous in their evaluation of the new undertaking. Some administrators expressed opinions to the effect of "why is all this necessary?," "why work at thinking up more jobs that have to be attended to?"

Thus, along with the problems of developing cash services, there also exists the necessity of realigning the thinking of administrators who still do not understand the importance and possibilities of what has been begun.

Yet the situation is extremely simple. The great majority of people today dream of spending their spare time in an interesting and useful manner. On the other hand, there are also quite a few excellent specialists and craftsmen who would not mind supplementing the family budget in their own spare time. There also exists a cost accounting organization which is interested in seeing that the state receives income from services to the public. There is, finally, a form of payment which is fair and which stimulates work quality: a share of the profits. All that remains to be added is a little initiative and entrepreneurial spirit and something positive will be the result.

## FOOD PROCESSING AND DISTRIBUTION

### TECHNOLOGY CHANGES REQUIRED FOR NONALCOHOLIC PRODUCTION

Moscow IZVESTIYA in Russian 12 Oct 85 p 2

[Article by F. Chernetskiy, IZVESTIYA staff correspondent, Odessa: "Vitamin Conveyer Technology: Former Wine-Making Enterprises Organize New Production"]

[Text] The fate of the grape and fruit wines which, inspite of the garish, at times picturesque names, justifiably called "bormotukha" [translation unknown] and "chernila" [ink] by the people, has been determined: They will be withdrawn from production. It is clear that the place and purpose of the raw material which had been used for intoxicating liquors must be used to prepare juices, jam, dried fruit, puree and similar appetizing things. Now the most important question is how to do this. There are many grape and fruit wine enterprises in the country, more than 700. Every year they convert more than a million tons of raw material: grapes, apples and berries. To change the profile of a whole branch of industry is a complex matter. We are faced with converting technology and creating new capacities. Right now, a special construction and technology bureau of the production machine construction branch located in Odessa is occupied with this.

We talked with the bureau chief, head designer Vladimir Ivanovich Svyatoshnyuk.

"From the amount of raw material which was used to prepare grape and fruit wines, one could produce 800 million regular cans of apple and grape juice, 870 million cans of jam, compote, and puree and about 20,000 tons of dried fruit. Our bureau has developed more than a dozen production line designs for processing various fruits. Their capacity is from 1 1/2 to 5 tons of product per hour. The designs promise a new use for part of the current equipment on the "wine" lines, that is, machines for preparing the raw material, transport equipment, storage and packing equipment. Much new equipment is required: continuously operating belt presses for obtaining the apple juice, automatic equipment for cutting the apples and coring them, sterilized storage of the unprocessed raw material, washers and bagging lines. This has been already precisely outlined in the preliminary stages of preparing for refitting the liquor enterprises."

"Now our designs are being distributed to all the enterprises making up the reconstruction organizations. Their specialists will confirm what and how

must be changed and how to use that which it already has. In October they will present their findings to the Ministry of Fruit and Vegetable Production, the Ministry of Agriculture or the USSR Central Union of Consumer Societies depending on to which they are responsible. Then the final concrete program for the reorganization of the branch will be completed and the tasks for the production machine construction enterprises will be formed. According to our preliminary studies, it will require, for example, 180 natural grape juice production lines with a productivity of 1 1/2 tons per hour, 170 lines for preparing dried fruit and 75 lines for apple juice. The task, of course, is not simple especially if you consider that it must be solved in the shortest amount of time."

Time marches on. It has been suggested that the first requirements of the wine-making plants that are being converted to nonalcoholic products be satisfied by purchasing imported equipment. But it must, of course, energetically include in this work domestic machine construction also.

The Odessa bureau has the lead in the food service industry for developing technological processes. They have now created a factory on wheels here. What does this mean? In two 20-ton standard containers which are used on sea and rail transport, they will mount two production lines: for sulfitation of apples and small berries and for the production of unprocessed juice from this raw material. There are containers in trailers (the trailers are the same size as those normally produced). The factory, in this manner, itself moves to the raspberry, currant, gooseberry, strawberry and cornelian cherry assembly point. The fruits here pass through all the operations right up to sterilizing and packaging, and the product may be stored for a long time in the storage enterprise. In another container, they will make juice from the same raw material and also process it as required. Bureau workers intend to set up an experimental model of such a "factory on wheels" at the beginning of next year.

Having visited the food machinery manufacturer special design and technology office, you would be convinced that the reorganization of this sub-branch of the food industry had begun. Without question, there are still many concerns to be faced: clarifying the requirements, distributing the orders, organizing the production of equipment necessary for the restructuring of the enterprises and all of this on the scale of a huge country! Well, and today, right now, what is being done in localities in order to not lose time and to use the local capabilities to accelerate the reorganization?

"In our branch of more than two dozen enterprises which are related to wine production," said the deputy director of the Odessa Oblast executive committee, A. Dem'yanov, "many have been completely converted to juices and jams and others are also reviewing this assortment. The main problem is equipment and reconfiguring the technical lines. Not long ago we met with the supervisors of local production: How can we help the food producers? Approximately a dozen enterprises which could build certain machines and other equipment were noted. Now we are clarifying who will be chosen for what."

"We are actively reviewing," R. Guliyev, director of the "sovkhoz wine trust, characterized the present situation. "It goes without saying that the grape

and fruit wines are being deleted. In another year in the Odessa wine factory, another line will come on-line to produce juices. We put it together from equipment and components which were found internally. On the whole we will increase the production of juices this year by 2,000 tons and in the future that number will become significantly larger. In addition, 2,000 tons of former wine-making material will be given over to the canning plant for preparing baby food products. We are also starting the production of the so-called light, sparkling wines include champagne. The technology was developed together with the wine-making department of the Odessa Technological Institute for Food Industry. Already in the next year, about 200,000 decaliters of such wine will be produced."

One often hears the opinion that converting liquor producing enterprises to the production of juices, compotes, jams and so forth will have a negative effect on the economy. I remember that in our time the wine-making sovkhos plant "Vygodyanskiy" which belonged to the "sovkhos wine trust" was transferred to the "Odessa fruit and vegetable economy" union. Here they moved away from wine and changed the profile of the plant to the same juices and baby food. I was interested in the general director of the fruit and vegetable economy union, B. Semashko: Has this proved itself from the point of view of the economy?

"Completely; of course in the first period of competing with "the degrees" it was complicated. However, gradually the capacity grew, the plant was reconstructed, the volume of product for baby food was significantly increased. And gradually, all of the economic indicators came up to a positive level.

This is an instructive experience. It means that in the economic approach, "changing the profile" of an enterprise also is justified from the economic point of view.

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## FOOD PROCESSING AND DISTRIBUTION

### ALTERNATIVES IN SHIFT TO NON-ALCOHOL PRODUCTION VIEWED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 8 Aug 85 p 2

[Interview with Ye. Tokmakov, chief, Lvov Oblast Food Industry Administration by L. Sotnik; date and place not specified]

[Text] As is known, the production of low-grade fruit and berry wine should be stopped by 1988. In letters to the editor readers ask if it is not possible to accelerate this work. They also want to know what the Food Industry is offering instead of the sadly well known "Solntsedarov" and "Aromatov sadov" wines. Our correspondent, L. Sotnik, discusses this with Ye. Tokmakov, chief of the Lvov Oblast Food Industry Administration.

[Question] Initially the question is purely economic: How will the curtailment of low grade wine production effect the most important work indicators for enterprises and the administration as a whole?

[Answer] For many of my colleagues this is the "key" ["gvozdevoy"] question. Especially in those oblasts where fruit and berry wines have a high share in total production. It is simpler for us: Here they only total 2.1 percent, or 1.6 million rubles annually.

[Question] Yes, this is quite modest, both in percent and in rubles. But what about in physical terms?

It is less cheerful. We annually ship about 4 million bottles to the trade network. What is now being done? First of all, it has been decided to curtail the production of fruit and berry wine by a minimum of 20 percent this year.

[Question] What about equipment, will it stand around?

[Answer] No, our specialists have already completed work on technology for the production of apple cider vinegar. It enjoys unlimited demand. It will fill about 20 percent of the "gross output" ["valoviy"] vacuum.

In addition, we make partial use of the wine bottling line to bottle sunflower oil. This is a great service to customers and trade workers. Bottling sunflower oil makes it possible to remove barrels and buckets from grocery stores and improves trade standards.

[Question] The bottling line is the tail end of the production chain. Its head is washing, juice extraction and fermentation... What will happen to these and what will be done with the raw materials?

[Answer] All this equipment will be completely used. We plan to increase the production of non-alcoholic natural drinks, i.e., juices. We have already decided to set up the production of "Sidr" type carbonated drinks.

[Question] How much time will it take to completely curtail the production of fruit and berry wines?

[Answer] A little more than a year.

[Question] Yevgeniy Petrovich, many operators are of the opinion that non-alcoholic drinks cannot make up the "valoviy vacuum" which will be created after the cheap alcohol is removed from production. They say that such drinks have low profit rates and are in limited demand.

[Answer] That is the judgement of those who have not studied the problem. Of course, fruit and berry wines are profitable. However, here are some figures refuting pessimists' opinions. Last year the profitability of wine in our administration was 27.8 percent, while the profitability of non-alcoholic drinks was 27.7 percent, a difference of only a tenth of a percent!

Now we should talk about something else: general improvements in output quality and diversity. For example, we have decided to sharply reduce the production of lemonade made from essential oil and increase the production of juices such as "Baykal" and "Sayany". It is necessary to stock store shelves with juices made from new recipes.

It is very important to produce more products in smaller containers -- 0.33 liter bottles. This is especially true for juices.

However, it is not only a problem of juices. It is also necessary to produce other food products in greater amounts. We are increasing the production of jams and jellies in small containers, fruit fudge and candy, and food concentrates. Here is an innovation which our operators have already praised: a concentrate for okrosheniy [a cold soup] kvass. You open up a 200 gram tin, take out two tablespoons of concentrate, dissolve them in a liter of boiled water which has been cooled down and you will have plenty of "new" kvass for soup. The dish is ready. The housewife does not have to run to town for a can.

To give people more tasty and diverse foods, this will be our contribution to sobriety.

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## FOOD PROCESSING AND DISTRIBUTION

### ABSENCE OF JUICE BY THE GLASS INVESTIGATED

[Editorial Report] Moscow SOVETSKAYA TORGOVLYA in Russian on 5 October 1985 carries on page 2 a 400-word article entitled "Around a Glass of Juice" by S. Borisov, V. Lendov, and V. Zubarev, three of the newspaper's correspondents. They reported their findings after being sent out to examine the local trade in fruit juice at the Ministry of Fruit and Vegetable Industry's stores in the Kirgiz SSR, Novosibirsk, and Krasnoyarsk. In the Kirgiz SSR, the primary explanation for the lack was "fewer customers" and "the risk of opening 3-liter jars which may not be sold by the end of the day." In Novosibirsk, the City Fruit and Vegetable Trade Administration insisted that "the demand for juice is lower now because there is plenty of fresh fruits and melons. There are personnel shortages as well." In Krasnoyarsk, the reason for no juice being sold by the glass was that "the city fruit and vegetable trade administration warehouse is out of fruit juice and the warehouse of the RSFSR Wholesale Food Trade Administration refuses to fill the order."

The article concludes by faulting the managers in each local trade administration for their "lack of responsibility and discipline." It also states that "one would expect that the RSFSR and the KiSSR Ministries of the Fruit and Vegetable Industry will punish the managers for their inertia and for the low level of executive discipline."

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FOOD PROCESSING AND DISTRIBUTION

JPRS-UCG-85-017  
13 December 1985

IZVESTIYA REPORTS FRUIT, VEGETABLE SHORTAGE IN MOSCOW

Moscow IZVESTIYA in Russian 15 Sep 85 p 2

[Article by I. Abakumov, V. Kovalevskiy and O. Pavlov, IZVESTIYA special correspondents, Moscow, under the rubric "Report with Bias": "Either in a Line or at an Empty Counter"]

[Text] You haven't had occasion to see such a surprising sight: in the peak of the produce season, the produce store is doing a brisk business in canned goods. We have seen it. And not just anywhere, but on one of the main streets of Moscow. On the counters lay dried-up eggplant and wrinkled apples. The other gifts of gardens and orchards were missing. At the beginning of September when, one thinks, these very counters ought to be giving way under an abundance of cucumbers, melons, sweet peppers, tomatoes and all kinds of salad greens.

Why, regardless of fixed plans and assignments and operative measures taken every season, do the residents of the capital have a supply of vegetables which is in no way adequate? Our newspaper has already put this question to the responsible instances, in the article: "At the Market and in the Store" (see IZVESTIYA 267/268, 1983). After its publication, the ispolkom of the Moscow City Soviet reviewed the IZVESTIYA article at its session. V. F. Promyslov, chairman of the Moscow City Soviet ispolkom, gave assurance that the capital would have sufficient fruit and vegetable production and significantly improve trade in these commodities. A large-scale resolution was adopted at the impetus of the article "At the Market and in the Store." It seemed that the measures would produce the desired results.

Two years passed. But no, the subsequent produce season has not been gratifying. Either everything remained as before or...

However, we're not going to get ahead of ourselves. We will suggest that you, the reader, accompany us to the sources of the produce conveyer. You will see how fruits and vegetables are supplied to Moscow and how their sale is organized. We decided to start out on our raid from the fruit and vegetable bases. Why these? Recently at one of the sessions, L. Pozdnyakov,

the deputy minister of the USSR Fruit and Vegetable Industry, stated that all workers of the ministry will be assigned to the bases and the production combines of Moscow for the purpose of daily monitoring of the status of operations. When this happened, everything would be in order at the bases. Was this the case?

Friday, 8:30 p.m. Warehouse No. 7, Brezhnevskiy Fruit and Vegetable Combine. Briskly moving trolleys are unloading a truck packed with apples. The operation is successful, but the driver is in a bad mood. He had driven up to the gates of the combine at 5:30 p.m. and been weighed in at 7:00; unloading had begun at 7:30. Why should he be happy?

"I'll have to spend the night here," said P. Rozum from Tiraspol. "First they didn't let me through the gates, then the goods manager couldn't be found. He ought to have to pay for the down time of the truck out of his own pocket..."

In the combine, not only trucks have down time, but also railroad cars. On the average, loading times were up to over eight times the norms during August.

10:30 p.m. The arrival of 11 cars with potatoes, various kinds of juice, apples and eggplants is awaited. No one knows their scheduled arrival time. Therefore no one can calculate how many stevedores will be needed. For this reason 100 workers from the industrial enterprises are constantly manning the night shift here. Now they are loading beans for morning departure. There is food for thought in this regard: on the staff of the combine there are about 800 persons, 470 of whom are workers and the rest of whom are engineering and technical workers. On the average there is one manager to a staff stevedore.

11:00 p.m. G. Padaltsyn, the combine's ninth director in five years, states:

"The railroad workers get the cars here slowly. If the Krasnyy Stroitel train sounds its arrival from the platform at 3 p.m., it will get to us around 8 p.m. But the distance is only a few kilometers. We leased a diesel locomotive for shunting cars. But it broke down..."

V. Tselikov, chief of the department of the city procurator, having taken part in a night session of the combine, pointed out the fact that the bases and stores begin work at the same time. After loading, travel time, and unloading, several morning hours have passed. During this time, as a rule, there is no fresh produce on sale.

Saturday, 12:05 a.m. Base No. 1, Leninskiy Fruit and Vegetable Combine. At midnight V. Guskova, staff member on duty, noticed with surprise that three

railroad cars loaded with watermelons were missing. They had arrived at 8 p.m., when everyone had left the base. The scale operator had managed to weigh them. Since there is no unloading at night at the base, the cars are supposed to stand until morning. But on the tracks, instead of the cars in question, we discovered a refrigeration unit: four refrigerators on wheels.

"We've been at a standstill for 24 hours," said N. Torbievskiy, the mechanic.

That's the regular procedure at Base No. 1: At night there is no one but the staff member on duty, militiamen and a watchman. No one is working here; entire railroad cars disappear and no one worries about cars that have been unloaded.

When V. Latysheva, assistant procurator of Leninskiy Rayon, telephoned the station, she was told that these three cars most likely had been taken to the second base after being weighed. We go there.

12:40 a.m. Base No. 2. The gates are locked. Behind the gate, it is silent as a tomb. It is useless to ring; no one answers. We get in through a hole in the fence and see an empty (again!) railway car on the tracks and beside the warehouse a truck with carrots. Not a soul around. The cars loaded with watermelons are nowhere to be seen. A small window is lighted; we go up to it. A woman is charging batteries for the loaders. Alone? No, there is also a watchman and a militiaman; the truck driver is spending the night. Where are they? She shrugs her shoulders. The sergeant overtook us at the exit. He introduced himself as Kozhanov from Militia Department 60. N. Vereshchagin, the driver, came up to us. He had arrived from Lukovitskiy Rayon at 7:30 p.m. but even then there had been no one at the base to unload and receive 6 tons of high-grade carrots. He had to spend the night. And again the same question: Who pays for the down time of the truck? And the watchman didn't appear. There would be a search tomorrow for the cars with the procurator's watermelons.

The night-time survey had revealed the mutual lack of responsibility shown by the base personnel and the railroad workers. On the one hand, there was no precise unloading system. On the other hand, there was a malfunction in the exchange of full and empty cars.

Thus we were able to convince ourselves that these two words--order and base--are, alas, almost incompatible. And the deputy minister's kind assurances remain nothing but assurances. Incidentally, the bases named are "under the control" of the following two comrades of the Ministry of the Fruit and Vegetable Industry: N. Makhanov and F. Kramskov, administration chiefs.

But now let us leave the bases for the stores.

9:30 a.m. Store No. 9, Dzerzhinskiy Rayon. Inside are two closely formed lines, each one representing at least a 40 minute wait. One for melons, which are being sold separately, and one for everything else. The assortment of fruits and vegetables is in no way meager. True, the tomatoes are like small green apples. And there are no onions at all. But cauliflower, eggplant, grapes and sweet peppers are all to be found. It's just that Store Director A. Shoshin obviously looks sleepy and very tired.

"Yesterday the base for our Dzerzhinskiy Rayon could only offer us potatoes and apples," he says. "We had to cross the boundaries of other bases. A truck could be loaded at the base for Sverdlovskiy Rayon. But they didn't let us leave for a long time and said 'That's not our truck.' Finally we got away and then worked until dark to unload the trucks."

How they managed to "get away," we can only guess.

10 a.m. Store No. 13 of the same rayon. There are no onions, no cabbage, no squash, no cucumbers. A lot of things are not to be found. But what is there? An order-book, in which items are noted that the store requests every day from the base (the same Dzerzhinskiy base). The absolute majority of orders has the remark "not filled."

10:40 a.m. Store No. 47, Sverdlovsk Rayon. Behind the display window is "fruit"--a few half-green lemons and nothing else.

11:30 a.m. Store No. 61, Leninskiy Rayon. We leaf through the order book with Deputy Director M. Frisher. The September 5 order is for cucumbers, onions, melons, grapes, pears, apples and squash. Besides the grapes nothing was supplied.

12:30 p.m. Store No. 7, Leninskiy Rayon. There is no one on the floor of the rather large store. The entire assortment consists of potatoes and beets obviously past their prime.

2:30 p.m. Store No. 9, Sevastopolskiy Rayon. The large building is divided into two parts. The wine and mineral-water department takes up nine tenths of the area. The remainder is devoted to produce, but on the counter there are only pickled cucumbers and cabbage in brine. We made our purchases in the wine department and had a taste at the vegetable counter.

"Our orders for fruits and vegetables aren't filled," complains Director T. Kubikova.

But the last order was lost and never found. And for this the explanation was offered that there was no individual plan for produce at the store. And, it happened, the store wasn't interested in handling it.

3:15 p.m. Store No. 22, Brezhnevskiy Rayon. There is a line/ It seems that tomatoes are for sale. Red, regularly-shaped tomatoes, not half-rotten ones. "Today I didn't even have time for morning tea," says Director A. Tskhadana with a hint of self-satisfaction. "We've sold six tons of tomatoes." "Where did you get tomatoes? At the base for your rayon?" "No, there weren't any there. Private connections, you might say."

That's it! A store sells tomatoes from an outside base and a night raid showed 47 tons of tomatoes at the store's own base. Curious!

We have foreseen the dissatisfaction of other managers. In fact, we have done enough, so to speak, to supply the residents of Moscow better. Some hundreds of persons from the industrial/commercial network have been enlisted in the buying and selling of produce. Some thousands of students have been recruited.

But all these conclusions only pale against the background of the fact that the number of commercial centers (we have in mind those handling produce) in the eight-million-inhabitant city of Moscow is exceeded, for example, in other cities whose population is one third that of Moscow.

Let us turn again to our article of year-before-last and recall what was said at that time! The discussion concerned the evident lack of produce markets and stores in the city. The assortment of products from orchards and fields is not extensive enough. The problem of cadres is a very severe one in the commercial sector; odd-jobbers often turn up as workers in the branch.

The Moscow City Soviet has promised to take charge of the solution to this problem, as we have said. What changes and positive accomplishments have the last two years seen? By how much has the volume of implementation of production risen? When we put this question to I. Popov, chief specialist of the Moscow City Soviet ispolkom (he is responsible for the supply of fruits and vegetables to the capital), we heard something unexpected. It seems that such data are not available to I. Popov. And he is not able to evaluate whether the supply of fruits and vegetables to Moscow has improved. "Ask the Main Administration of the Fruit and Vegetable Industry," he advised us.

And we ask about control and about bringing operations in order. Alas, it will be a long time until even the essentials of order are established.

When this report was published, we again went to well-known addresses. At any rate, a week exactly had passed by. Was it possible that the situation had improved? Dzerzhinskiy Rayon: the base is trading as before with a one-store ration. Sevastopolskiy Rayon: there, the vegetable section accommodated next to a wine and mineral-water department is closed for remodeling. Leninskiy Rayon: in the display window of the produce store on Metrostroyevskaya Street, watermelons are blushing, but there are none for sale. Instead a long line has formed for canned apricots from Bulgaria. The goods-exchange plan is being filled by a quite transparent ploy.

Yes, there are definite difficulties in supplying the capital. The city is huge and its infrastructure is complex. Suppliers do not by any means always show discipline. Unfortunately, quite a bit of low-quality produce is put up for sale; this requires additional expenses for the selection and sorting of fruits and vegetables. But this is not the first year. Still, the Main Administration of the Fruit and Vegetable Industry does not show that degree of injustice and weakness. The essence of the problem lies elsewhere. The economic mechanism must undergo decisive reorganization. The very system of interconnections along the produce conveyor ought to be carefully coordinated in the interests of the buyers.

A short time ago the office of the Moscow City Committee of the CPSU reviewed the question of inadequacies in the produce trade. Party declarations were presented to a number of heads of main administrations of the Moscow City Soviet ispolkom and ispolkoms of the rayon soviets, as well as trade organizations. Specific measures for the improvement of operations were outlined. The office told the CPSU Rayon Committee to establish strict control over the organization for trade, increasing the responsibility of the rayon ispolkoms and of managers of trade and transport organizations for regular delivery of produce to the consumers.

We are convinced that the solution of these problems is within the power of the capital with its enormous power and extremely strong production potential. But in the meantime...the produce season continues.

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## PERSONAL INCOME AND SAVINGS

### DEGREE OF NONCASH TRANSACTIONS IN SAVINGS BANKS ANALYZED

Moscow DENG I KREDIT in Russian No 8, Aug 85 pp 63-65

[Article by V. Yu. Platonov, deputy chief of the Department for Cash Transactions Service of the Board of Gostrudsbkass [State Labor Savings Banks]:  
"Develops Noncash Settlement Transaction Further"]

[Text] Effective development of the country's economy and increasing the efficiency of social production have made it imperative to raise the material and cultural standard of living of the people and increase the money income of the workers. All of this is creating conditions favorable to development of savings.

One of the lines of activity of institutions of USSR Gostrudsbkass is the widespread introduction of noncash settlement transactions between individuals and trade enterprises, municipal service enterprises and other enterprises.

Noncash payment of bills by individuals for goods and services is an important condition for improving service to the workers. The noncash form of making payments credited to various organizations for services rendered and also for goods acquired in stores of state and cooperative trade is also advantageous to the state, since it reduces the need for currency and consequently the costs involved in manufacturing it, transporting it, storing it and counting it.

Noncash transactions performed by savings banks are helping to increase the inflow of worker resources into those banks. The depositor who regularly takes advantage of noncash transactions sees the need to maintain a balance in his account. The inflow of money into the accounts of the organizations to which payments are credited is speeded up when payments by individuals are made on a noncash basis.

Noncash handling of bill payments by individuals experienced notable development during the years of the 10th and 11th Five-Year Plans. In the 10th Five-Year Plan the total of noncash settlements for goods and services amounted to 23.1 billion rubles, as against 6.5 billion rubles in the 9th Five-Year Plan. The total for the 4 years of the 11th Five-Year Plan is 34.4 billion rubles, which is twice as much as over the same period of the 10th Five-Year Plan. Of the total sum of noncash payments by individuals to trade enterprises, municipal service enterprises and other enterprises 93 percent went to pay for goods.

The growth rate of noncash settlements with trade enterprises is considerably faster than the growth rate of sales for the group of industrial goods worth at least 200 rubles. For instance, the growth of sales was 48.0 percent between 1975 and 1980, but noncash settlements over that period increased two-fold.

As a result the relative share of goods which individuals paid for on a non-cash basis was as follows in the total amount of retail sales for the group of goods worth 200 rubles or more: 7.0 percent in 1975, 9.4 percent in 1980 and 12.0 percent in 1984.

The organization of noncash payments by individuals through savings banks to trade enterprises, municipal service enterprises and other enterprises follows three directions: the introduction of Gostrudsbetskass payment checks, posting amounts to pay for automobiles which individuals have obtained from enterprises of AvtoVAZ, and also for industrial goods worth at least 200 rubles purchased in the consumer cooperative system; and the transfer of payments from depositors' accounts on their orders for rent, utilities and other services.

As is well known, the USSR Gostrudsbetskass payment check was first introduced in 1973 for payment of automobiles and heavy motorcycles. During that year payment checks worth 959 million rubles were issued in the entire country. In subsequent years payment with savings bank checks spread to a number of other expensive goods, and in 1977 to all industrial goods worth at least 200 rubles. Consequently, the amount of noncash settlements for goods rose to 5.7 billion rubles in 1980 and 8.7 billion rubles in 1984. In the 4 years of the current 5-year plan individuals have paid for goods worth 32.2 billion rubles on a noncash basis, as against 21.6 billion rubles in the 10th Five-Year Plan.

USSR Gostrudsbetskass payment checks are dominant in the total amount of non-cash payments by individuals to enterprises in the trade sector. Beginning in 1973 the total amount of payment checks which savings banks issued to individuals was about 60 billion rubles. Nearly 40 percent of the total amount of payment checks came from balances in accounts, which altogether eliminated cash transactions in individuals' payment of the bills to enterprises in the trade sector. We should note that individuals are making more and more use of payment checks not only in buying automobiles, but also in paying for television sets, refrigerators, radio equipment, carpets, furniture and other goods, and as a consequence the relative share of checks used to pay for such goods has increased from 17 percent in 1980 to 25 percent in 1983, while the average amount of the payment check has dropped from 4,660 rubles in 1976 to 3,788 rubles in 1984.

The second form of noncash settlement for goods is the transfer of amounts from savings accounts. Such operations are made when individuals pay for automobiles which they have obtained at enterprises of AvtoVAZ and also for industrial goods purchased in the stores of the consumer cooperative system. In 1984, 138.8 million rubles were transferred from accounts to pay for automobiles and industrial goods purchased in the stores of the consumer cooperative system, which is 17.2 percent more than in 1980. At the same time, beginning

in 1983 the volume of such operations decreased because individuals preferred to pay for automobiles with the payment checks of savings banks. In the opinion of the personnel of the automobile showrooms, bank institutions and savings banks, and also the purchasers, payment for automobiles with USSR Gos-trudsbetskass checks is a more convenient form of settlement than the transfer of amounts from accounts.

Payments by individuals for housing, utilities and other services occupy a large relative share of the operations of savings banks. During the 4 years of the current 5-year plan the total amount of payments by individuals for housing, utilities and other services paid into the country's savings banks amounted to 36.5 billion rubles, or 8.2 billion rubles more than in the corresponding period of the 10th Five-Year Plan.

As the volume of these operations has grown in savings banks, difficulties have arisen in a number of cases in serving the public, especially on days when there is a very large inflow of payments. In this situation it is becoming more and more important for savings banks to develop their noncash operations in transferring payments by individuals for rent, utilities and other services on the basis of standing and one-time orders of depositors from their savings accounts to the accounts of the organization receiving the payments.

Gos-trudsbetskass institutions are making a constant effort in this direction. In the time that has passed since the beginning of the 10th Five-Year Plan, the volume of noncash transactions related to payments has increased more than fivefold; the relative share of the total amount of payments transferred from depositors' accounts in the total amount of all payments received by savings banks increased more than threefold between 1976 and 1984. During the past year the total amount of noncash payments exceeded 700 million rubles. The volume of such settlements has been increasing at a faster rate than the growth of the volume of cash payments made into savings banks: in 1984 the sum total of payments made in cash increased 3.3 percent, while those made on a noncash basis increased 18.4 percent.

The principal forms of payments which individuals make by the noncash method are payments based on standing orders of depositors: for housing, electric power, gas, telephone, water and other utilities; to service and repair household appliances on a contract basis; children's tuition in preschool institutions; for goods purchased on credit; payments credited to Gosstrakh; payments against credits obtained to build private dwellings on the basis of one-time orders: entrance fees and share payments for construction of cooperative housing units, garages and weekend cottage plots; for housing repairs made by consumer service and municipal service enterprises; and to purchase tourist vouchers.

At the beginning of the 11th Five-Year Plan the number of standing orders of depositors in the country's savings banks numbered 522,000, as against 22,000 at the beginning of the 10th Five-Year Plan. Gos-trudsbetskass institutions have taken steps in the current 5-year period aimed at developing operations related to the standing orders of accountholders. In 1984 the number of such orders increased 196,000 and amounted to 1.2 million.

The largest share of all the operations performed by savings banks to transfer funds from depositors' accounts for payments were related to standing orders, while most of the noncash settlements based on one-time orders necessarily had to be made on that basis because of the nature of the payment. Nevertheless, during the years of the 10th and current 5-year plans there has been a tendency toward a gradual increase in the relative share of payments based on standing orders in the total volume of noncash payments made through savings banks, which has to do with the steady increase in the number of accountholders making regular payments on a noncash basis.

But noncash payment of utility and other bills by individuals through savings banks is still not developing fast enough. The board of USSR Gostrudsbekass is taking steps aimed at further development of noncash settlement by individuals for goods and services: the sphere of application of savings bank payment checks is being expanded, new forms of noncash settlements are being introduced for services rendered the public by various organizations.

In 1982 second-class savings banks became involved in issuing payment checks, which helped to improve service, above all to the rural population.

In October 1983 the Tsentrosyuz board joined the USSR Ministry of Trade in adopting a decision to extend the existing procedure for payment of industrial goods by individuals with payment checks of savings banks to payment for services extended by food service enterprises on the basis of prior orders, and in 1984 this procedure was extended to the payment of garden sheds, factory-made prefabricated wooden dwellings and kits for dwellings purchased from container-repair and timber and lumber enterprises and organizations in the system of USSR Gosstabs.

By decision of the Gosbank board, the Gostrudsbekass board and RSFSR Ministry of Consumer Services to the Public, in May 1984 noncash payments by individuals through savings banks were introduced for services rendered by consumer service enterprises to individuals worth at least 200 rubles (housing construction and repair, the making of fur articles, furniture-making, etc.). These services can be paid for either with payment checks or by transfer of amounts from savings accounts. Work to organize settlement of this kind has also been done in the Belorussian, Lithuanian, Moldavian, Tadjik and Armenian union republics.

Coordinated efforts among institutions of Gostrudsbekass, trade organizations and other organizations in popularizing noncash transactions with the public have great importance to the further development of noncash settlement by individuals to pay for goods and services, to reducing cash transactions and to improving the preservation of the resources of the state. But in a number of places the public campaign and advertising in this direction have been carried on mainly by the savings banks, which face the specific task of fulfilling the target for noncash transactions by individuals. Trade enterprises and other enterprises are not showing due interest in organizing measures of this kind, which is holding back development of noncash transactions.

Taking into account that the effort to transfer funds from accounts for payments is rather laborious, it should be noted that extensive development of noncash settlement by individuals is bound up in the future with the introduction of computer-based automatic data processing systems in savings banks.

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FOOD PROCESSING AND DISTRIBUTION

PACKAGING PROBLEMS FOR GOODS IN APK DESCRIBED

Moscow ZAKUPKI SELSKOKHOZYAYSTVENNYKH PRODUKTOV in Russian No 8, Aug 85  
pp 29-30

/Article by G. Kolobova, Deputy Department Chief, Soyuzglavtara, at the  
USSR Gossnab: Supplying the Agro-Industrial Complex with Packaging<sup>17</sup>

/Text/ A most important element in the food supply line is transportation  
packaging, which protects goods reliably during transfer, storage and  
merchandising.

In the development of rapid growth in agricultural goods production, the  
provision of transportation packaging to the APK /agropromyshlennyy  
kompleks--agro-industrial complex/ is of enormous importance. Such  
factors as technically and economically proper selection of packing  
type and organization of branch packaging operations determine the  
condition of goods, consumption of materials used in the packaging,  
degree of involvement of transportation equipment, loading and unloading  
facilities and warehousing, and other technical and economic criteria.

In 1985 transportation packaging of foodstuffs will require 11.2 million  
cubic meters of forestry material in terms of timber, 78,700 tons of  
packaging cardboard, 14 million cubic meters of timber equivalent for  
reusable wooden and cardboard packaging, 31,000 tons of polyethylene,  
2.5 million special-purpose fruit and vegetable box pallets and other  
materials. Total cost is 1.7 billion rubles. The branch has been given  
the specific responsibility of producing packaging for fruits, vegetables  
and canning foods and of supplying this packaging in a timely manner to  
the preparing organizations and canning enterprises. These uses account  
for 40 percent of all packaging used by the agro-industrial complex.

At the same time, the supply of transportation packaging to the  
agro-industrial complex still does not satisfy present requirements.  
Due to the absence of raw materials, equipment and production capabilities  
in the material basis for packaging production, the situation is highly  
unsatisfactory with regard to cardboard and polymers for producing high-  
quality packaging for goods, automating this process and effecting  
considerable reduction in materials requirements. In the branches of the  
agro-industrial complex packaging production is not specialized and

facilities have not yet been established for mechanized production of wooden boxes, which at the present time are practically the sole type of packaging used in the fruit and vegetable supply line. There is also a shortage of special-purpose bases and areas for storing seasonal supplies of packaging as specified by the technology called for by standards.

The result is a shortage of transportation packaging for protecting foodstuffs, which causes delays in marketing the goods and sometimes spoilage and losses.

To satisfy the requirements of the agro-industrial complex for transportation packaging, the USSR Gosstab in collaboration with interested ministries and departments have devised suggestions relative to the production development of economical types of packaging for the 11th Five-Year Plan and for the period to 1990. Provision is also made for measures to improve packaging economy management of the country and production planning for packaging, raw materials and associated manufacturing equipment. The state plans of ministries and departments of the USSR and union republics, including branches of the agro-industrial complex, have included since 1983 the section "Production of Transportation Packaging." The major packaging types for the APK are included in the state plan.

The branches of the agro-industrial complex and other branches which consume packaging are responsible for packaging their products; developing the packaging economy under their control and the facilities for manufacturing packaging materials, containers and other economical transfer media; efficient applications; extending useful life and maintenance of materials; construction of warehouses and storage sheds for the latter; and mechanization of loading and unloading, warehouse and goods packaging operations.

Tasks have been assigned to the USSR Minlesbumprom, Minkhimprom, USSR Minpishchprom, USSR Minmyasomolprom, USSR Minrybkhoz and the USSR Minplodoovoshchkhov to set up specialized facilities to produce at accelerated rates packaging made of cardboard and polymers and economical types of wooden packaging.

One million square meters of cardboard used to make boxes replace 12,000 cubic meters of wood in terms of timber, and thus brings about a reduction in materials required for goods packaging in the amount of 835,000 rubles. A change to cardboard packaging production will make it possible to reduce timber consumption by a factor of 3.4 and occupy only one-third the present warehouse area and transportation equipment; it will promote implementation of automation into packaging processes and increase the labor productivity in these operations.

A mere one percent increase in amount of cardboard packaging in the existing production balance for foodstuffs will result in a savings of 15.9 million rubles in the national economy.

In the 11th Five-Year Plan output of cardboard packaging for food products in the country has increased considerably. In 1985 17 ministries and departments of the USSR are participating in this manufacturing activity. The USSR Minlesbumprom is the head ministry for development, design and construction of enterprises relative to cardboard packaging production.

It is significant that 36 percent of cardboard packaging for foodstuffs is being produced for their own use by branches of the agro-industrial complex. The USSR Minpishchprom, USSR Minmyasomolprom and USSR Minrybkhoz were assigned the responsibility of setting up in 1982-1986 at seven enterprises additional specialized facilities for the manufacture of cardboard boxes amounting to a total of 260 million square meters per year, which would make it possible to improve considerably the supply of packaging to these branches and reduce packaging costs as compared to use of wooden boxes by 217 million rubles. However, the tasks relative to construction of packaging enterprises by these ministries have not been accomplished.

In the last few years drums made of wound cardboard have come into wide use for foodstuffs. Their use for packing fats, tomato paste and other products instead of wooden barrels effects a reduction factor in wood consumption of 2.9. However, their use is being held up due to the fact that the USSR Minpishcheprom and the USSR Minplodoovoshchkhov did not include in their standard of margarine and canned goods the use of these drums as a mandatory type of packaging.

The USSR Minlesbumprom should set up facilities to manufacture boxes made of moisture-resistant cardboard to carry fruits and vegetables to the all-union supply system and regions of the Far North; it should also effect measures to improve the quality of cardboard for use in packaging.

Most important in satisfying the needs of the agro-industrial complex is the production development of reusable polyethylene packaging for shipping large quantities of goods in areas where they are produced. Also important is the development of group packaging and unitization of products using polyethylene thermosetting and stretch film without transfer crates for shipment to industrial centers and remote regions of the country.

Reusable polyethylene boxes have come into wide use for beverages, milk and dairy products, refrigerated fish and prepared fish. In 1983 their production development was initiated for applications in fresh fruit and vegetable packaging.

Experience has shown that polyethylene boxes have a useful life of more than five years, due to their great strength and capability of resuming their former shape after use. Their use in commerce to deliver fresh fruits and vegetables reduces packaging material needs by a factor of 2.3 compared with wooden reusable boxes, while compared with one-way wooden boxes this figure is 4.2. In this connection, each ton of polyethylene fruit and vegetable packaging replaces 7.9 cubic meters of timber per year. The polyethylene boxes make it possible to automate the packing process and perform scouring, which is extremely important in the case of foodstuffs.

The plan for 1985 calls for the production of 18.6 million polyethylene boxes for food product packing, including 3.4 million for fruit and vegetable items, thus affording an economy of timber in the amount of 350,000 cubic meters. Each ton of polyethylene thermosetting film in the case of group packaging of preserved fruits and vegetables without boxes replaces 46 cubic meters of timber.

However, development of polyethylene reusable boxes and group packaging using thermosetting film has been lagging in the country due to shortages of low-pressure polyethylene, casing machines, molds and equipment used in group packaging and utilization.

Widely used for the last several years for fruit and vegetable packing are wire-reinforced and wire-held thin-walled boxes and skids 4-5 millimeters thick. Facilities to produce them have been set up by the USSR Gossnab, USSR Minlesbumprom and the USSR Minplodoovoshchkhov. Thin-walled boxes make it possible to reduce timber consumption by a factor of 1.6, while a high degree of mechanization of manufacturing operations brings about a gain in labor productivity of 2-2.5 times. Equipment is being readied to produce this item serially.

Along with production development of progressive types of packaging made of cardboard, polymers and timber, it is necessary to gain additional practical experience in reuse of packaging materials, set better consumption standards and develop product transfer using special-purpose vehicles in container and transport unit modes. It is necessary to tighten control to obtain economical and efficient use of packaging and shipping materials in the national economy. The USSR Gossnab covers 40 percent of the needs of the agro-industrial complex by virtue of reuse of packaging materials. A system of technical and economic norms and normative documents has been developed for the purpose of determining amounts required and effecting control of packaging.

In the 11th Five-Year Plan the Soyuzglavtara has carried out extensive organizational work with ministries, territorial agencies of the USSR Gossnab and consumers of packaging relative to economy of the latter and efficient goods transfer.

To effect improvement in quality of wooden box production and curtail packaging material losses during storage, the USSR Minplodoovoshchkhov, USSR Minpishcheprom, Tsentrosoyuz and USSR Minselkhov must set up shops for mechanized assembly of wooden boxes and warehouses furnished with sheds for storing seasonal reserves of packaging materials.

One of the fundamental problems in the packaging economy of the agro-industrial complex is that of efficient use of packaging materials in the possession of users. Checks of packaging use carried out in preparing organizations of the USSR Minplodoovoshchkhov, USSR Minselkhov

and Tsentrosoyuz have uncovered numerous instances of poor management and waste. In some units and canning plants packaging materials are stored in the open, thrown about and destroyed, which results in large losses.

To eliminate agricultural losses, since 1983 the TsK VLKSM /Central Committee of the All-Union Lenin Young Communist League/ with the participation of the Soyuzglavtara, ministries and territorial agencies of the USSR Gosnab has been conducting All-Union Operation Zakrom, the most important tasks of which are problems of production, economy, efficient use and proper storage of packaging and shipping materials. Staffs and initiative groups have been organized at individual locations. Their main purpose is to check on availability of packaging materials, containers and transportation at users; assure readiness of storage facilities to receive goods; uncover and eliminate shortcomings in harvesting, preparing and shipping of crops; close all loopholes that account for loss of the nation's goods.

In raising the technical level of the packaging economy and in the production development of economical packaging types for foodstuffs, an important part is played by science. The USSR Goskomitet for Science and Technology must task USSR ministries and departments with carrying out research in developing new technology for producing economical packaging types and equipment for packing of foodstuffs. The scientific capabilities of the agro-industrial complex should be employed to design a system of machines and a progressive integrated technology for manufacturing products and delivering the latter to the consumer. Without this it is not possible to resolve the problems of filling the packaging needs of the agro-industrial complex, efficient use of materials required for packaging and reduction of losses occurring in transit.

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